



103466983

TRADEMARKS ONLY

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

70-7-21

1. Name of conveying party(ies):

Royal Adhesives and Sealants, LLC

- Individual(s)
- General Partnership
- Corporation- State: _____
- Other limited liability company
- Association
- Limited Partnership

Citizenship (see guidelines) Delaware

Additional names of conveying parties attached? Yes No

3. Nature of conveyance)/Execution Date(s) :

Execution Date(s) 09/24/2007

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Madison Capital Funding LLC, as Agent

Internal Address: _____

Address: _____

Street Address: 30 South Wacker Drive, Suite 3700

City: Chicago

State: IL

Country: USA Zip: 60606

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship _____
- Other LLC Citizenship Delaware

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2334411 1094852 2356593

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

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

Name: _____

Internal Address: _____

Street A **Research Plus, Inc.**

1 Tadcaster Circle

City: **Waldorf, MD 20602**

State: _____

Phone Number: _____

Fax Number: _____

Email Address: _____

6. Total number of applications and registrations involved:

3

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 120.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number 12/07/2007 LUDELLER 00000807-2334411

Authorized User Name _____

9. Signature:

Sharon Patterson

Signature

11/30/07

Date

Sharon Patterson
Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 241

RECEIVED DPR
ASSIGNMENTS
AM 4:11

RECEIVED DPR
ASSIGNMENTS
DEC -7 AM 4:11

40.00
50.00

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

**CONSENT RE CREDIT AGREEMENT & AMENDMENT NO. 3 TO SECOND
AMENDED AND RESTATED GUARANTEE & COLLATERAL AGREEMENT**

This Consent re Credit Agreement and Amendment No. 3 to Second Amended and Restated Guarantee and Collateral Agreement (this "Consent") is entered into as of September 24, 2007, among Madison Capital Funding LLC, as Agent (defined below) for the Lenders (defined below), the Lenders signatory hereto and Royal Adhesives and Sealants, LLC, a Delaware limited liability company (the "Borrower").

WITNESSETH

WHEREAS, Borrower, Agent and Lenders are parties to that certain Second Amended and Restated Credit Agreement dated as of June 10, 2005 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement);

WHEREAS, Borrower desires, on the date hereof, to purchase certain assets, and assume certain liabilities, of Industrial Adhesive Co., an Illinois corporation ("Industrial Adhesive"), relating to the Business (as such term is defined in the Industrial Adhesive Asset Purchase Agreement defined below) pursuant to that certain Agreement for Purchase and Sale of Assets, dated as of the date hereof, among Industrial Adhesive, as the seller, and Borrower, as the buyer, a copy of which is attached hereto as Exhibit A (the "Industrial Adhesive Asset Purchase Agreement"; such purchase and assumption, the "Industrial Adhesive Acquisition");

WHEREAS, Borrower has requested that Agent and Lenders consent to the Industrial Adhesive Acquisition;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties hereto agree as follows:

1. Consent. In reliance upon the representations and warranties of Borrower set forth in Section 3 below and subject to the conditions to effectiveness set forth in Section 4 below, Agent and Lenders hereby consent to the Industrial Adhesive Acquisition, so long as the aggregate amount of the purchase price paid on the closing date for the Industrial Adhesive Acquisition does not exceed \$625,000 (as specified in the Industrial Adhesive Asset Purchase Agreement). Except as expressly set forth in this Consent, the foregoing consent shall not constitute (a) a modification or alteration of the terms, conditions or covenants of the Credit Agreement or any other Loan Document, or (b) a waiver, release or limitation upon the exercise by Agent or any Lender of any of its rights, legal or equitable, thereunder.

2. Amendment to Second Amended and Restated Guarantee and Collateral Agreement. In reliance upon the representations and warranties of Borrower set forth in Section 3 below and subject to the conditions to effectiveness set forth in Section 4 below,

Schedule 5 to the Guarantee and Collateral Agreement is hereby amended and restated in its entirety as set forth in Exhibit A, attached hereto.

3. Representations and Warranties. Borrower hereby represents and warrants to Agent and Lenders that, both before and after giving effect to the consummation of the Industrial Adhesive Acquisition and this Consent:

(a) The execution, delivery and performance of this Consent has been duly authorized by all requisite corporate action on the part of Borrower;

(b) No Default or Event of Default has occurred and is continuing;

(c) The representations and warranties of each of the Loan Parties set forth in the Credit Agreement, as amended to date, the Guarantee and Collateral Agreement, as amended hereby, and in the other Loan Documents, as amended to date, are true and correct in all material respects as of the date hereof, with the same effect as though made on the date hereof (except to the extent such representations and warranties expressly refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date);

(d) The documents, instruments and agreements attached hereto as Exhibit B and Exhibit C, respectively, are true, correct and complete copies of the Industrial Adhesive Asset Purchase Agreement and all agreements, documents and instruments executed and/or delivered in connection therewith (collectively, the "Industrial Adhesive Purchase Documents"). Each of Borrower and the other Loan Parties and, to Borrower's knowledge each other party to the Industrial Adhesive Purchase Documents, has duly taken all necessary organizational action to authorize the execution, delivery and performance of the Industrial Adhesive Purchase Documents and the consummation of transactions contemplated thereby. As of the date hereof, the Industrial Adhesive Acquisition has been consummated (or will be consummated concurrently with the effectiveness of this Consent on the date hereof) in accordance with the terms of the Industrial Adhesive Purchase Documents. The Industrial Adhesive Acquisition complies with all applicable legal requirements, and all necessary governmental, regulatory, creditor, shareholder, partner and other material consents, approvals and exemptions required to be obtained by a Loan Party and, to Borrower's knowledge, each other party to the Industrial Adhesive Purchase Documents, in connection with the Industrial Adhesive Acquisition have been duly obtained and are in full force and effect. As of the date hereof, all applicable waiting periods with respect to the Industrial Adhesive Acquisition have expired without any action being taken by any competent governmental authority which restrains, prevents or imposes material adverse conditions upon the consummation of the Industrial Adhesive Acquisition. The execution and delivery of the Industrial Adhesive Purchase Documents did not, and the consummation of the Industrial Adhesive Acquisition will not, violate any statute or regulation of the United States (including any securities law) or of any state or other applicable jurisdiction, or any order, judgment or decree of any court or governmental body binding on any Loan Party or, to Borrower's knowledge, any other party to the Industrial Adhesive Purchase Documents, or result in a breach of, or constitute a default under, any material agreement, indenture, instrument or other document, or any judgment, order or

decree, to which any Loan Party or any of its Affiliates is a party or by which any Loan Party or any of its Affiliates is bound or, to Borrower's knowledge, to which any other party to the Industrial Adhesive Purchase Documents is a party or by which any such party is bound. No statement or representation made in the Industrial Adhesive Purchase Documents by any Loan Party or any of its Affiliates or, to Borrower's knowledge, any other Person, contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading.

4. Conditions Precedent to Effectiveness. The effectiveness of this Consent is subject to the prior or concurrent consummation of each of the following conditions:

(a) Agent shall have received a fully executed copy of this Consent, along with the Consent and Reaffirmation attached hereto, together with such other documents, agreements and instruments as Agent may request;

(b) the Pro Forma EBITDA of Industrial Adhesive Co. for the trailing twelve month period ending on August 31 is not less than \$400,000;

(c) all proceedings taken in connection with the transactions contemplated by this Consent and all documents, instruments and other legal matters incident thereto shall be reasonably satisfactory to Agent and its legal counsel; and

(d) no Default or Event of Default shall have occurred and be continuing or shall be caused by the transactions contemplated by this Consent.

5. Miscellaneous.

(a) Governing Law. THIS CONSENT SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS.

(b) Counterparts. This Consent may be executed in any number of counterparts, and by the parties hereto on the same or separate counterparts, and each such counterpart, when executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Consent.

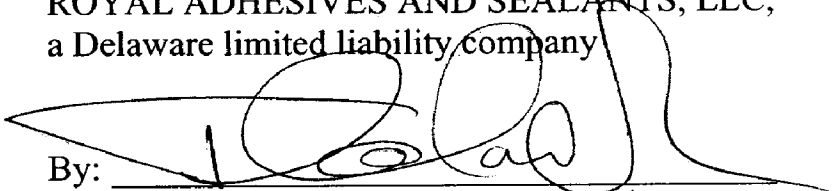
(c) Reference to Credit Agreement. Each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import, and each reference in the Credit Agreement or in any other Loan Document, or other agreements, documents or other instruments executed and delivered pursuant to the Credit Agreement, shall mean and be a reference to the Credit Agreement as modified by this Consent.

(d) Costs and Expenses. Borrower acknowledges that Section 10.4 of the Credit Agreement applies to this Consent and the transactions, agreements and documents contemplated hereunder.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Consent to be duly executed and delivered by their duly authorized officers as of the day and year first above written.

ROYAL ADHESIVES AND SEALANTS, LLC,
a Delaware limited liability company

By: 
Name: Theodore M. Chan
Title: CEO

MADISON CAPITAL FUNDING, LLC,
as Agent and as a Lender

By: _____
Name: _____
Title: _____

GSO DEBT FUNDS MANAGEMENT LLC
(successor to each of FRIEDBERGMILSTEIN
LEVERAGED CAPITAL FUND I and
FRIEDBERGMILSTEIN PRIVATE CAPITAL
FUND I), as a Lender

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Consent to be duly executed and delivered by their duly authorized officers as of the day and year first above written.

ROYAL ADHESIVES AND SEALANTS, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

MADISON CAPITAL FUNDING, LLC,
as Agent and as a Lender

By: Hugh Wilde
Name: Hugh Wilde
Title: Managing Director

GSO DEBT FUNDS MANAGEMENT LLC
(successor to each of FRIEDBERGMILSTEIN
LEVERAGED CAPITAL FUND I and
FRIEDBERGMILSTEIN PRIVATE CAPITAL
FUND I), as a Lender

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Consent to be duly executed and delivered by their duly authorized officers as of the day and year first above written.

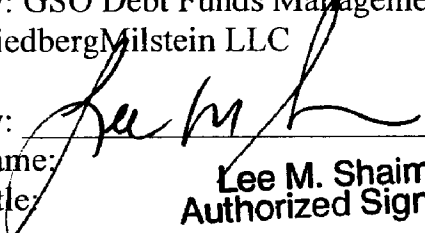
ROYAL ADHESIVES AND SEALANTS, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

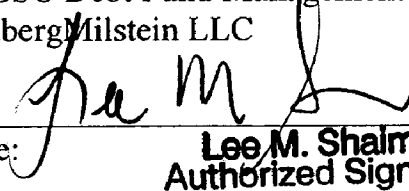
MADISON CAPITAL FUNDING, LLC,
as Agent and as a Lender

By: _____
Name: _____
Title: _____

FM Leveraged Capital Fund I
By: GSO Debt Funds Management LLC as Subadviser to
FriedbergMilstein LLC

By: 
Name: _____
Title: **Lee M. Shaiman**
Authorized Signatory

FriedbergMilstein Private Capital Fund I
By: GSO Debt Fund Management LLC as Subadviser to
FriedbergMilstein LLC

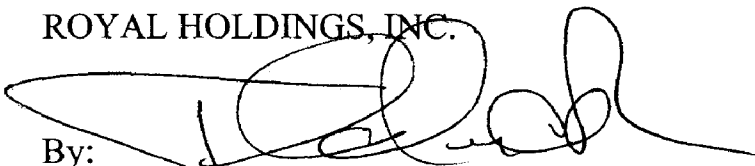
By: 
Name: _____
Title: **Lee M. Shaiman**
Authorized Signatory

CONSENT AND REAFFIRMATION

Each of the undersigned hereby (i) acknowledges receipt of a copy of the foregoing Consent re Second Amended and Restated Credit Agreement and Amendment No. 3 to Second Amended and Restated Guarantee and Collateral Agreement (the "Consent"); (ii) consents to Borrower's execution and delivery of the Consent; (iii) agrees to be bound by the Consent; (iv) affirms that nothing contained in the Consent shall modify in any respect whatsoever any Loan Document to which it is a party; and (v) reaffirms that such Loan Documents shall continue to remain in full force and effect. Although each of the undersigned has been informed of the matters set forth herein and has acknowledged and agreed to same, each of the undersigned understands that Agent and Lenders have no obligation to inform either of the undersigned of such matters in the future or to seek either of the undersigned's acknowledgment or agreement to future amendments, waivers or consents, and nothing herein shall create such a duty.

IN WITNESS WHEREOF, each of the undersigned has executed this Consent and Reaffirmation on and as of the date of the Consent.

ROYAL HOLDINGS, INC.


By: _____
Name: Theodore W. Clark
Title: CEO

SOUTH BEND PROPERTIES LLC

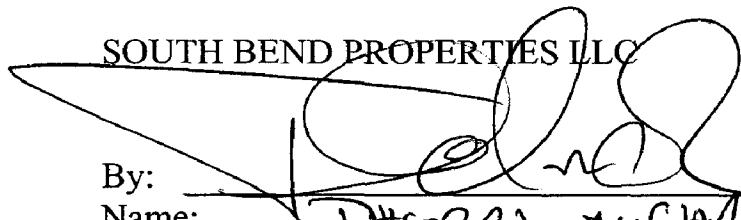

By: _____
Name: Theodore W. Clark
Title: MANAGER

EXHIBIT A

Schedule 5

See attached.

SCHEDULE 5**INTELLECTUAL PROPERTY****Patents and Patent Licenses**

Grantor	Patent Number/ Application Number	Country
Royal Adhesives and Sealants, LLC	4,851,462 Issue Date: 7/25/89	U.S.
Royal Adhesives and Sealants, LLC	Reissued as 32,634 Issue Date: 3/29/88	U.S.
Royal Adhesives and Sealants, LLC	4,603,164 Issue Date: 7/29/86	U.S.
Royal Adhesives and Sealants, LLC	1,249,892 Issue Date: 2/7/89	Canada
Royal Adhesives and Sealants, LLC	4,762,880 Issue Date: 8/9/88	U.S.
Royal Adhesives and Sealants, LLC	20050230459 Appl. Date: 4/16/04	U.S.

Trademarks and Trademark Licenses

Grantor	Trademark Registration Number/ Application Number	Country
Royal Adhesives and Sealants, LLC	2,128,639 Reg. Date: 1/13/98	U.S.
Royal Adhesives and Sealants, LLC	2,314,241 Reg. Date: 2/1/00	U.S.

Grantor	Trademark Registration Number/ Application Number	Country
Royal Adhesives and Sealants, LLC	2,309,068 Reg. Date: 1/18/00	U.S.
Royal Adhesives and Sealants, LLC	39934133 Reg. Date: 10/13/99	Federal Republic of Germany
Royal Adhesives and Sealants, LLC	99797216 Reg. Date: 11/26/99	France
Royal Adhesives and Sealants, LLC	652007 Reg. Date: 10/5/99	Mexico
Royal Adhesives and Sealants, LLC	2,209,678 Reg. Date: 9/27/99	United Kingdom
Royal Adhesives and Sealants, LLC	2,128,642 Reg. Date: 1/13/98	U.S.
Royal Adhesives and Sealants, LLC	2,050,825 Reg. Date: 4/8/97	U.S.
Royal Adhesives and Sealants, LLC	390,290 Reg. Date: 5/25/83	Benelux
Royal Adhesives and Sealants, LLC	186,755 Reg. Date: 11/17/92	Canada
Royal Adhesives and Sealants, LLC	1,237,483 Reg. Date: 6/1/83	France
Royal Adhesives and Sealants, LLC	74,865 Reg. Date: 2/18/85	Greece

Grantor	Trademark Registration Number/ Application Number	Country
Royal Adhesives and Sealants, LLC	2,701,615 Reg. Date: 12/22/94	Japan
Royal Adhesives and Sealants, LLC	119,977 Reg. Date: 5/27/83	Republic of Ireland
Royal Adhesives and Sealants, LLC	119,978 Reg. Date: 5/27/83	Republic of Ireland
Royal Adhesives and Sealants, LLC	1,196,680 Reg. Date: 5/26/83	Untied Kingdom
Royal Adhesives and Sealants, LLC	1,196,681 Reg. Date: 5/26/83	United Kingdom
Royal Adhesives and Sealants, LLC	1,051,839 Reg. Date: 11/2/76	U.S.
Royal Adhesives and Sealants, LLC	2,390,606 Reg. Date: 9/26/00	U.S.
Royal Adhesives and Sealants, LLC	2,388,241 Reg. Date: 9/19/00	U.S.
Royal Adhesives and Sealants, LLC	2,334,411 Reg. Date: 3/28/00	U.S.
Royal Adhesives and Sealants, LLC	1,094,852 Reg. Date: 7/4/78	U.S.
Royal Adhesives and Sealants, LLC	2,356,593 Reg. Date: 6/13/00	U.S.

Copyrights

Grantor	Copyright Title	Copyright Application	Copyright Registration Number	Copyright Application Number
None.				

EXHIBIT B

Industrial Adhesive Asset Purchase Agreement

See attached.

TRADEMARK

| REEL: 003675 FRAME: 0388

AGREEMENT FOR PURCHASE AND SALE OF ASSETS

BY AND BETWEEN

ROYAL ADHESIVES AND SEALANTS LLC

AND

INDUSTRIAL ADHESIVE, CO.

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Exhibit B	Form of Consulting Agreement
Exhibit C	Accounts Receivable Assignments
Exhibit D	Form of Trademark Assignments
Exhibit D-1	Form of Patent Assignment
Exhibit E	Form of Non-Competition, Non-Solicitation and Confidentially Agreement
Exhibit F	Form of Tolling and Support Agreement
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APPENDICES:

Appendix A	Definitions
Appendix B	Business
Appendix C	Related Agreements and Documents of Conveyance

**AGREEMENT FOR
PURCHASE AND SALE OF ASSETS**

THIS AGREEMENT FOR PURCHASE AND SALE OF ASSETS is made and entered into this ___ day of August, 2007 (this "Agreement"), by and between Royal Adhesives and Sealants, LLC a Delaware limited liability company, having its offices at 2001 W. Washington St., South Bend, Indiana 46628 ("Buyer") and Industrial Adhesive, Co., an Illinois corporation having its offices at 130 N. Campbell Ave., Chicago, Illinois 60612 ("Seller").

WHEREAS, the definitions of capitalized terms used in this Agreement are set forth in Appendix A hereto;

WHEREAS, Seller owns certain assets which are used by it in connection with the manufacture and marketing of water borne adhesive products carried on at Seller's facility located at 130 N. Campbell Ave., Chicago, IL 60612 (the "Facility"); and

WHEREAS, Buyer desires to purchase from Seller certain of the assets, personal properties and rights and assume certain liabilities, and Seller desires to sell certain of the assets, personal properties and rights and transfer certain liabilities used in or related to the development, manufacture and marketing and sale of EVA, PVA, SBR and acrylic adhesive products described on Appendix B (the "Business").

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

ARTICLE I

THE TRANSACTION

1.1 Purchase and Sale of Purchased Assets. At the Closing, Seller shall:

(a) grant, sell, convey, transfer, assign and deliver to Buyer, and Buyer shall purchase, accept, acquire and receive, all of Seller's right, title and interest in, to and under the Purchased Assets, free and clear of any Liens, except Permitted Liens, all upon the terms and subject to the conditions set forth in this Agreement, and in reliance on the respective representations, warranties, covenants and agreements of the parties hereto, and

(b) provide technical, manufacturing, quality control support and customer liaison including the technical support, advice and assistance of operations, research and development, marketing and sales services to transition the production of the Products to the manufacturing facilities of Buyer and to transition the customers to Buyer pursuant to a Consulting Agreement with Mr. Manuel Belbis substantially in the form of Exhibit B (the "Consulting Agreement"), and provide manufacturing services for the Products pursuant to a Tolling and Support Agreement substantially in the form of Exhibit F (the "Tolling and Support Agreement") (collectively, "Seller's Transition Support"), and

(c) deliver Seller's Non-Competition, Non-Solicitation and Confidentially Agreement in favor of Buyer substantially in the form of Exhibit E, and

(d) deliver the fully executed Related Agreements and Documents of Conveyance identified on Appendix C.

1.2 Purchased Assets. As used herein, the term "Purchased Assets" shall mean all of the rights, properties, assets and business of every kind and description, wherever located, whether tangible or intangible, real, personal or mixed, that comprise or are used primarily by or specifically held for use by or material in the conduct of the Business by Seller as they exist at Closing, except to the extent that any thereof form a part of the Excluded Assets, including without limitation all of Seller's right, title and interest in, to and under the following Purchased Assets:

(a) all raw materials, work-in-process, finished goods, goods-in-transit, supplies, containers and reusable totes, packaging materials, samples and any prepaid deposits for any of the same and other inventories primarily used in or specifically held for use by Seller or its Affiliates or otherwise material in the conduct of the Business, wherever located (collectively, the "Inventory");

(b) the Accounts Receivable;

(c) all rights and incidents of interest of Seller or its Affiliates in and to (i) all Open Orders and all other Contracts with customers for the performance of work or services and all pending bids and offers in respect thereof, and all purchase orders for the sale of Products, comprising or relating to the conduct of the Business, including, without limitation, the Contracts listed on Schedule 1.2(c)(i), (ii) other than those Contracts that constitute Excluded Assets, all Contracts and purchase orders with vendors, suppliers and others who provide any products or services to Seller or any of its Affiliates, comprising or relating to the conduct of the Business that are listed on Schedule 1.2(c)(ii); and (iii) the other Contracts used in or relating to the Business, including, without limitation, those listed on Schedule 1.2(c)(iii) (collectively, the "Assumed Contracts").

(d) all prepaid expenses, advance payments, accounts, notes and other receivables relating exclusively to the Business, together with any unpaid interest or fees accrued thereon or other amounts due with respect thereto, and other amounts owing from third parties, including, without limitation, customers and clients of the Business, whether or not arising in the ordinary course of the Business;

(e) to the extent assignable, all rights and incidents of interest of Seller in and to those permits, licenses, consents, approvals, certifications, franchises, waivers, authorizations or identification numbers of, or issued (or pending issuance) to, Seller by any Governmental Authority (the "Permits and Licenses"), and relating to or necessary for the conduct of the Business, of which, all material Permits and Licenses are listed on Schedule 1.2(e);

(f) the Intellectual Property;

(g) all customer lists, catalog mailing lists, supplier and vendor lists, inventory records, sales and promotional data, manuals and data, sales and purchase correspondence, warranty records, cost and pricing information, business plans, quality control records and manuals, blueprints, research and development files, whether in hard copy or electronic format that specifically relate to the Purchased Assets or are otherwise material in the conduct of the Business.

(h) complete and accurate copies of all information, files, books and records (including, without limitation, invoices, shipping records, compliance reports, filings with any Governmental Authority in connection with any Purchased Asset or Assumed Liability, and accounting and financial records) of the Business that are in Seller's possession or control and specifically relate to the Purchased Assets or are otherwise material in the conduct of the Business.

(i) any insurance proceeds relating specifically to the Purchased Assets that are received or receivable by Seller between the date hereof and the Closing Date, and not otherwise reinvested into the Business prior to the Closing Date;

(j) all cash security deposits and earnest deposits placed with or by Seller for the performance of an Assumed Contract;

(k) all rights, claims, credits, causes of action, rights of recovery or rights of set-off of any kind against third parties to the extent related to the Business or affecting any of the Purchased Assets, including claims pursuant to or under any manufacturer's warranties, representations and guarantees made by suppliers, manufacturers, contractors and other third parties in connection with products, materials, equipment or services purchased by or furnished to Seller used in or relating to the conduct of the Business or affecting any of the Purchased Assets (collectively, the "Warranties"); and

(l) the Business as a going concern, including all goodwill associated with the Purchased Assets.

1.3 Excluded Assets. Notwithstanding the foregoing, Seller will retain and not transfer, and Buyer expressly understands and agrees that it will not acquire any assets of Seller, other than the Purchased Assets (collectively, the "Excluded Assets"), including the following assets which shall not be sold or transferred to Buyer:

(a) all of Seller's cash and cash equivalents, including cash on hand or held by any bank or other third Person, and all amounts recovered from the bankruptcy estate of Marcal Paper Mills;

(b) corporate accounting journals and corporate books of account which comprise Seller's permanent accounting or tax records;

(c) subject to Section 1.2(h), all books, records, files and papers, whether in hard copy or electronic format, prepared in connection with this Agreement or the Transactions contemplated hereby and all corporate minute books, stock records and corporate seals of Seller and its Affiliates;

(d) all assets of any retirement savings plan, 401(k) plan, pension plan or other Employee Benefit Plan or account established pursuant to ERISA that relate to the account balances of any employee of Seller;

(e) subject to Section 1.2(i), all policies of or agreements for insurance and interests in insurance pools and programs;

(f) all rights of Seller arising under this Agreement, the Related Agreements or the Transactions contemplated hereby or thereby;

(g) all Contracts set forth on Schedule 1.3(g) (the "Excluded Contracts");

(h) the land, building and improvements located at 130 N. Campbell Ave., Chicago, IL 60612 and all personal property and interests therein, including all owned and leased machinery, computer software, manufacturing equipment, lab equipment, vehicles, business machines, computer equipment and peripherals, furniture, furnishings, supplies, tools, storage tanks, spare and replacement parts (collectively, the "Personal Property"), including those items of Personal Property listed on Schedule 1.3(h), provided, however, Personal Property does not include reusable totes;

(i) all intercompany accounts, other than in respect of goods and services actually provided, between Seller and any of its Affiliates;

(j) Tax assets (including Tax refunds, Tax credits and deferred Tax assets); and

(k) Tax Returns and related workpapers, schedules, and other documentation and information related to Taxes with respect to Seller or its Affiliates.

1.4 Assumption of Certain Liabilities.

(a) At the Closing, Buyer shall assume and shall pay, perform and discharge when due, only the following liabilities of Seller (collectively, the "Assumed Liabilities"):

(i) all executory obligations of Seller under the Assumed Contracts that arise, and relate to a period, after the Closing Date which are required to be performed and fulfilled under such Assumed Contracts after the Closing Date or that arise prior to the Closing Date and require performance, in whole or in part, after the Closing Date;

(ii) the Assumed Trade Accounts Payable;

(b) Buyer shall not assume or be responsible for any debts or liabilities of Seller and any and all obligations, duties and liabilities of Seller shall be the sole and complete responsibility of Seller, who shall indemnify, defend and hold harmless Buyer on account thereof. Notwithstanding anything in this Agreement to the contrary, Seller shall retain, and shall be responsible for paying, performing and discharging when due, and Buyer shall not assume or have any responsibility for, and shall be deemed not to have assumed or have any responsibility for, all liabilities of Seller or the Business (the "Excluded Liabilities") including without limitation the liabilities set forth below:

(i) any liability and obligation of Seller relating to or arising out of the Excluded Assets;

(ii) all Taxes relating to the Business or the Purchased Assets with respect to taxable years or periods (or portions thereof) up to and including the Closing Date, including any Taxes or any fees arising in connection with the consummation of the Transactions contemplated hereby, any Tax or liability of any stockholder of Seller or its Affiliates, any of Seller's fees and expenses incurred in connection with the transfer of the Assets and any and all Taxes on the Excluded Assets, including the Personal Property;

(iii) any and all Environmental Liabilities and all costs and liabilities arising from environmental, health, or safety conditions, or the release of a contaminant into the environment, for any act, omission, condition, event or circumstance to the extent occurring or existing at any time at the Facility, and including without limitation all environmental costs and liabilities relating in any manner to Seller's direct or indirect handling, storage, transportation or disposal of any Hazardous Materials or contaminants;

(iv) liabilities for any violation of any law or regulation including violations of the Toxic Substance Control Act, each and all or any of the Liens on Purchased Assets;

(v) any liability under any of the Employee Benefit Plans and any indebtedness, obligation or liability for Seller's employees or retirees for any wages, unused

vacation or other compensatory time including severance, and other compensation or benefits earned by, due to, or accrued for the benefit of Seller's employees or retirees for all periods prior to the Closing Date including any liability under the Worker Adjustment and Retraining Notification Act ("WARN Act");

(vi) any liability for Indebtedness;

(vii) any liability relating to the employees of the Business that arises at any time, including any liability for wrongful termination or other wrongful act by Seller or any of its employees;

(viii) any intercompany accounts payable between Seller and any of its Affiliates;

(ix) any obligation or liability arising as a result of or whose existence is a breach of a Seller's representations, warranties, agreements or covenants;

(x) any liability of any kind relating to any claim that a product manufactured or shipped by Seller is or was defective, or that Seller is or was negligent, or from any representation, act or omission of a Seller concerning any product;

(xi) liabilities or obligations under contracts, inventory purchase orders, leases, subleases, commitments, permits and approvals not expressly assigned to and assumed by Buyer pursuant to the terms of this Agreement;

(xii) any liability or obligation of Seller under this Agreement or the Related Agreements;

(xiii) liabilities for any and all other claims against Seller whether or not arising through demands, legal process, litigation, alternative dispute resolution process, or action by governmental agency including any liability relating to the legal proceedings listed in Schedules 4.6 and 4.7; and,

(xiv) any brokers' or finders' fees, or other liability of Sellers for costs and expenses (including legal fees and expenses) incurred in connection with this Agreement or the consummation of the Transactions contemplated hereby.

1.5 Bulk Transfer. Buyer hereby waives compliance by Seller with any applicable "bulk transfer," "bulk sales" and similar Legal Requirements and requirements of all jurisdictions in connection with the Transactions contemplated hereby (other than any obligations with respect to the application of the proceeds therefrom); provided, however, that Seller agrees to indemnify Buyer against any and all liabilities (including, but not limited to, any liabilities for Taxes of Buyer as a transferee or otherwise) which may be asserted by third parties against Buyer as a result of Seller's noncompliance with any such Legal Requirement.

ARTICLE II

CONSIDERATION FOR TRANSFER

2.1 Purchase Price. Provided that Revenues of Seller for the twelve (12) Fiscal Months immediately preceding the Closing Date is not less than \$1,600,000, and provided further that the Contribution Margin for the twelve (12) Fiscal Months immediately preceding the Closing Date is not less than \$600,000, the aggregate consideration payable to Seller by Buyer for the Purchased Assets, Seller's Transition Support referred to in Sections 1.1 above and delivery of the fully executed Related Agreements shall be Six Hundred Thousand Dollars (\$600,000.00) (the "Purchase Price"), which amount shall be adjusted at and after the Closing for changes in Working Capital as provided in Section 2.4 and Section 2.5. As further consideration, Buyer shall deliver to Seller a Commission Agreement, substantially in the form of Exhibit G, pursuant to which Buyer will pay to Seller a commissions for a period of three (3) years on sales to the Hallmark Corporation of two new Products provisionally identified as "Coating H" and "Gloss Coat" as set forth in the Commission Agreement.

2.2 Documentation for Contribution Margin. Not later than fifteen (15) days after the date of this Agreement, Seller shall deliver to Buyer its Financial Statements and all other documentation supporting the Revenues and the Contribution Margin of the Business for the immediately preceding twelve fiscal months. Seller shall update such documentation from time to time as necessary prior to and at the Closing to comply with the provisions of Section 2.1.

2.3 Escrow.

(a) Buyer and Seller agree that at the Closing, Buyer shall pay the sum of Twenty-five Thousand Dollars (\$25,000.00) of the Purchase Price as a "Working Capital Escrow" into an interest-bearing escrow account to be established with JP Morgan Chase Bank, N.A., as escrow agent pursuant to an Escrow Agreement substantially in the form of Exhibit H. Working Capital Escrow shall be used by the parties for the adjustment to Purchase Price as provided in Section 2.5.

(b) Buyer and Seller agree that at the Closing, Buyer shall pay the sum of Sixty Thousand Dollars (\$60,000.00) of the Purchase Price as a "Purchase Price Escrow" into an interest-bearing escrow account to be established with JP Morgan Chase Bank, N.A., as escrow agent pursuant to an Escrow Agreement substantially in the form of Exhibit I. Purchase Price Escrow shall be maintained for one year after the Closing Date and used by the parties to secure the performance of Seller's Representations, Warranties and Covenants in this Agreement and Related Agreements executed in connection with this Agreement.

2.4 Closing Purchase Price Adjustment.

(a) The parties agree that the Target Working Capital is \$288,000.00 (the "Target Working Capital"). The Purchase Price shall be adjusted for differences in Working Capital if the Estimated Working Capital or the Final Working Capital, as described below is greater than 105% of the Target Working Capital (the "Working Capital Maximum") or if the Working Capital is less than 95% of the Target Working Capital (the "Working Capital Minimum").

(b) Three (3) Business Days prior to the Closing Date, Seller shall deliver to Buyer its determination of estimated Working Capital as of the Closing Date prepared on a basis consistent with financial information and analysis of costs previously provided to Buyer for use in evaluating the Target

Working Capital (the "Estimated Working Capital"), specifying and quantifying in reasonable detail the items constituting such Final Working Capital together with all supporting documents, schedules, work papers and other information necessary for Buyer to make its own determination of the Working Capital as of the Closing Date.

(c) At the Closing,

(i) if the Estimated Working Capital is greater than or equal to the Working Capital Minimum and less than or equal to the Working Capital Maximum, there will be no adjustment to the Purchase Price at Closing.

(ii) if the Estimated Working Capital is less than Working Capital Minimum, the difference between the Estimated Working Capital and Working Capital Minimum shall be subtracted from the amount of the Purchase Price to be paid to Seller at Closing.

(iii) if the Estimated Working Capital is more than Working Capital Maximum, the difference between Working Capital Maximum and the Estimated Working Capital shall be added to the amount of the Purchase Price to be paid to Seller at Closing.

The amount added to, or subtracted from, the Purchase Price at Closing, if any, shall be the "Closing Purchase Price Adjustment". For purposes of calculating the Final Purchase Price, if the Closing Purchase Price Adjustment is added to the Purchase Price, it shall be deemed to be positive and if it is subtracted from the Purchase Price at Closing it shall be deemed to be negative. In any case, the Purchase Price shall be subject to further adjustment after the Closing as set forth below in Section 2.5.

2.5 Final Purchase Price Adjustment.

(a) The actual Working Capital as of the Closing Date shall be prepared in accordance with the same basis and applying the same accounting principles, policies and practices that were used in preparing the Target Working Capital (the "Final Working Capital"). Within forty-five (45) days after the Closing, Buyer will deliver its determination of the Final Working Capital, specifying and quantifying in reasonable detail the items constituting such Final Working Capital together with all supporting documents, schedules, work papers and other information necessary for Seller to make its own determination of the Working Capital as of the Closing Date. Seller shall review Buyer's determination of Final Working Capital and deliver notice to Buyer of any objection it may have to Buyer's determination; provided that if no notice of objection has been given within thirty (30) days from the date of Seller's receipt of the Final Working Capital and supporting information, the determination calculated by Buyer shall be binding and conclusive on the parties and shall be the Final Working Capital. If Seller objects to Buyer's determination of Final Working Capital, Seller shall deliver notice to Buyer of its objections together with its own determination of the actual Working Capital as of the Closing Date, and the parties shall attempt to agree to the Final Working Capital. If Buyer and Seller are not able to agree to the Final Working Capital within thirty (30) days following the date notice of its objections was given to Buyer by Seller, the parties shall submit the matter for resolution to Independent Accountants pursuant to Section 11.3. The determination of the actual Working Capital as of the Closing Date whether by passage of time, as agreed by both the Buyer and the Seller, or as determined by the Independent Accountants, as the case may be, shall be the "Final Working Capital".

(b) The Final Purchase Price Adjustment shall be determined as follows:

(i) If the Final Working Capital is greater than or equal to the Working Capital Minimum and less than or equal to the Working Capital Maximum, the Final Purchase Price Adjustment shall be the negative of the Closing Purchase Price Adjustment.

(ii) If the Final Working Capital is greater than the Working Capital Maximum, the Final Purchase Price Adjustment shall be the Final Working Capital less the Closing Purchase Price Adjustment, less the Working Capital Maximum.

(iii) If the Final Working Capital is less than the Working Capital Minimum, the Final Purchase Price Adjustment shall be the Final Working Capital less the Closing Purchase Price Adjustment, less the Working Capital Minimum.

The Purchase Price adjustment as determined by this Section 2.5(b) may be positive or negative and shall be the "Final Purchase Price Adjustment".

2.6 Accounts Receivable Valuation. Schedule 2.6 identifies all Accounts Receivable as of the date of this Agreement identifying with particularity each customer, the amount owed, the invoice number and date, commissions due upon collection and payable to Seller's independent sales representatives, the identity of the sales representative, and the number of days the amount owed has been outstanding. Seller shall provide an updated Schedule of Accounts Receivable to be assigned to Buyer at Closing prepared with the same detail and in a manner consistent with Schedule 2.6. Seller's Authorized Officer shall certify that the Schedule of Accounts Receivable at Closing fairly and completely represents customers of Seller and the amounts owed for goods sold and delivered as of the Closing Date.

2.7 Inventory Valuation. The parties shall jointly determine the Inventory by actual count of usable stock in trade, raw materials, intermediates, work in process, goods in transit and finished goods that are in Seller's possession or control on or one (1) day after the Closing Date. The Inventory shall be valued at the lower of cost or market on a basis consistent with Seller's past practice, provided that no value shall be assigned to materials that do not meet or exceed all vendor, manufacturing and customer quality requirements and are good and usable in manufacturing Products (the "Schedule of Inventory Value"). Both the Seller's Authorized Officer and Buyer's Chief Financial Officer shall certify the Schedule of Inventory Value.

2.8 Assumed Trade Accounts Payable. Schedule 2.8 identifies all current Assumed Trade Accounts Payable as of the date of this Agreement identifying with particularity each vendor of raw materials and packaging that have been received into Inventory or have been shipped by the vendor to Seller which are used primarily in the production of Products, the amount owed, the invoice number and date, and the date on which the invoice is due and will further identify amounts for commissions included in the assigned Accounts Receivable due and payable to Seller's sales representatives upon collection. Seller shall provide an updated Schedule of Assumed Trade Accounts Payable to be assumed by Buyer at Closing prepared with the same detail and in a manner consistent with Schedule 2.8. Seller's Authorized Officer shall certify that the Schedule of Assumed Trade Accounts Payable at Closing fairly and completely represents vendors and representatives of Seller and the current amounts owed for raw materials and packaging that have been received into Inventory or have been shipped by the vendor to Seller and commissions due on assigned Accounts Receivable as of the Closing Date.

2.9 Payment of Purchase Price.

(a) At the Closing, Buyer shall fully fund Working Capital Escrow and Purchase Price Escrow and Buyer shall pay to Seller the balance of the Purchase Price, as adjusted pursuant to Section 2.4(c), by wire-transfer of immediately available funds to an account or accounts designated in

writing by Seller at least three (3) Business Days prior to the Closing Date. The total of the amounts paid at the Closing shall be the "Preliminary Purchase Price".

(b) If the Final Purchase Price Adjustment is positive, Buyer shall immediately pay Seller the Final Purchase Price Adjustment and the parties shall direct the escrow agent to pay to Seller all of the amount of Working Capital Escrow. If the Final Purchase Price Adjustment is zero or negative, the parties shall direct the escrow agent to pay to Buyer the amount of Final Purchase Price Adjustment from Working Capital Escrow and the balance to Seller. If the Final Purchase Price Adjustment is payable to Buyer, and is more than \$25,000, Seller shall in addition immediately pay Buyer the difference between \$25,000 and the Final Purchase Price Adjustment.

ARTICLE III

THE CLOSING AND TRANSFER OF PURCHASED ASSETS

3.1 Closing. The sale and purchase of the Purchased Assets, the assumption of the Assumed Liabilities and the delivery of the fully executed Related Agreements and Documents of Conveyance contemplated by this Agreement (the "Transactions") shall take place at a closing (the "Closing") that will be held on August 31, 2007 at 10:00 A.M. (local time) as promptly as practicable (and in any event within three Business Days) after the date on which there has been a satisfaction or waiver of the conditions (other than any such conditions that can only be satisfied at the Closing) set forth in Article VIII (the "Scheduled Closing Date"), but in any event not later than November 30, 2007 (the "Termination Date"), unless the parties hereto agree in writing to another date or place. The date on which the Closing occurs is referred to herein as the "Closing Date."

3.2 Deliveries by Buyer. At the Closing, Buyer shall deliver the following:

(a) in accordance with Section 2.9(a), fully fund Working Capital Escrow and Purchase Price Escrow and pay to Seller the balance of the the Preliminary Purchase Price in U.S. Dollars, payable by wire transfer of immediately available funds, to an account or accounts designated by Seller at least three (3) Business Days prior to the Closing Date;

(b) duly executed counterparts to the Related Agreements and Documents of Conveyance to which it is a party;

(c) a certificate of a duly Authorized Officer of Buyer to the effect set forth in Section 8.1(a);

(d) a certificate from Buyer's Authorized Officer, in form and substance reasonably satisfactory to Seller and its counsel, regarding such Buyer's authority relating to and approving the Transactions and the incumbency of such Buyer's officers; and

(e) such other instruments or documents as may be reasonably necessary or appropriate to vest in Buyer all right, title and interest in, to and under the Purchased Assets and all liabilities to and under the Assumed Liabilities.

3.3 Deliveries by Seller. At the Closing, Seller shall deliver the following:

(a) duly executed counterparts to the Related Agreements and Documents of Conveyance to which it is a party;

(b) possession to Buyer of the Purchased Assets including the Intellectual Property and a complete list of the Products;

(c) a Schedule of Accounts Receivable updated as of the Closing Date and certified by Seller's Authorized Officer;

(d) a certificate of a duly Authorized Officer of Seller to the effect set forth in Section 8.2(a);

(e) a certificate from Seller's secretary, in form and substance reasonably satisfactory to Buyer and its counsel, regarding Seller's articles of incorporation or charter, bylaws, good standing, all board and shareholder resolutions relating to and approving the Transactions and the incumbency of Seller's officers;

(f) a non-foreign certification (in form and substance reasonably satisfactory to Buyer) that satisfies the requirements of Treasury Regulation section 1.1445-2(b)(2);

(g) a copy of a certificate from the Secretary of State of the State of Illinois and each other state in which Seller is qualified to conduct business to the effect that Seller is in good standing in such state.

(h) a receipt for the Purchase Price;

(i) a Schedule of all Open Orders shall have been prepared by Seller and delivered to Buyer three (3) days prior to the Closing Date and an updated Schedule of all Open Orders shall be delivered as of the Closing Date;

(j) such other instruments, Documents, consents (or in lieu thereof waivers), assignments and other good and sufficient instruments of conveyance and assignment as may be reasonably necessary or appropriate to carry out the Transactions and to vest in Buyer all right, title and interest in, to and under the Purchased Assets.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer, as of the date hereof, and as of the Closing Date, as set forth below.

4.1 Authority. Seller has the full right, power, and authority, without the consent of any other Person, to (a) carry on the Business as it currently exists, (b) execute and deliver this Agreement, the Related Agreements and Documents of Conveyance to which it is a party and the other instruments and agreements to be executed and delivered by Seller as contemplated hereby, and (c) consummate the Transactions contemplated hereby and thereby, including the sale, assignment, transfer and delivery of the Purchased Assets. The execution, delivery and performance of this Agreement and all other instruments and agreements to be executed and delivered by Seller as contemplated hereby, and the consummation of the Transactions contemplated hereby and thereby, have been duly authorized by Seller's Board of Directors and its shareholders and no other corporate or shareholder action on the part of Seller is necessary to authorize the execution, delivery and performance of this Agreement and such other

instruments and agreements by Seller and the consummation of the Transactions contemplated hereby and thereby.

4.2 Validity; Consents and Approvals.

(a) This Agreement has been, and the Related Agreements and Documents of Conveyance and other documents, instruments and agreements to be executed and delivered by Seller as contemplated hereby will be at the Closing, duly executed and delivered and constitute the valid and legally binding obligations of Seller enforceable in accordance with their respective terms. The execution and delivery by Seller of this Agreement, the Related Agreements and Documents of Conveyance to which it is a party, other documents, instruments and agreements to be executed and delivered by Seller as contemplated hereby and thereby, and the consummation of the Transactions contemplated hereby and thereby will not (immediately, with notice, the passage of time or both) result in the creation of any Lien or the acceleration of any Indebtedness or other obligation of Seller or by which any of the Purchased Assets are bound and are not prohibited by, do not violate or conflict with any provision of, and do not and will not (immediately, with notice, the passage of time or both) constitute a default under or a breach of (i) any provision of the charter or bylaws of Seller, (ii) any of the terms, conditions or provisions of any Contract, Permit and License, or other instrument to which Seller is a party or by which Seller is bound, (iii) any Governmental Order, or (iv) any Legal Requirement applicable to Seller, except in each of the foregoing cases for such creations, accelerations, terminations, violations, conflicts, breaches, defaults, charges or encumbrances set forth on Schedule 4.2 (the "Required Consents").

(b) Except for the Required Consents, no consent, approval or action of, filing with or notice to any Governmental Authority, any agency, regulatory body or administrative authority of the Venezuelan government, or other third-party is necessary or required under any of the terms, conditions or provisions of any (i) Legal Requirement or Governmental Order applicable to Seller or by which any of the Purchased Assets may be bound, (ii) Contract to which Seller is a party or by which any of the Purchased Assets may be bound, for the execution and delivery of this Agreement, the Related Agreement and other documents, instruments and agreements to be executed and delivered by Seller as contemplated hereby, the performance by Seller of its obligations hereunder and thereunder or the consummation of the Transactions contemplated hereby and thereby.

4.3 Due Organization. Seller is a corporation duly incorporated, in good standing and validly existing under the laws of Illinois. Seller is duly licensed, qualified or registered to do business and is in good standing in each jurisdiction in which the properties owned or licensed by it or the operation of the Business makes such licensing or qualification necessary, including qualification as a foreign corporation and good standing in the State of Indiana.

4.4 Title to Purchased Assets and Related Matters.

(a) Seller has good title to and owns and possesses all right, title and interest in all of the tangible and intangible personal property included in the Purchased Assets, free and clear of all Liens, except for Permitted Liens. There are no outstanding agreements, options, or offers, accepted or contingent, outstanding with respect to all or any of the Business or tangible and intangible personal property included in the Purchased Assets.

(b) All the Inventory, including without limitation all raw materials, work-in-process, finished goods, packaging materials and supplies included therein, the Intellectual Property, and the Permits and Licenses set forth on Schedule 1.2(e), and the assignment to Buyer of the purchase orders, vendor Contracts and procurement Contracts listed on Schedule 1.2(c)(i, ii, and iii), and the consent of all parties thereto to such assignment, constitute all of the properties, assets and rights necessary for the

development and manufacture of the Products described on Appendix B as of the date of this Agreement. Subject to the receipt of the Required Consents, following the consummation of the Transaction, Buyer will become the beneficial owner of the Purchased Assets, with good, valid and marketable title thereto free and clear of all Liens other than Permitted Liens, and will not incur any penalty or other adverse consequence, including, without limitation, any increase in rentals, royalties or license or other fees imposed as a result of, or arising from, the consummation of the Transactions contemplated by this Agreement and the Related Agreements.

4.5 Contracts. Schedule 1.2(c)(i, ii, and iii) and Schedule 1.3(g) together set forth each Contract to which Seller is a party and which is material to the financial condition, operation or conduct of the Business (the "Material Contracts"). Each of the Material Contracts is valid and binding and is in full force and effect as to Seller, assuming the other party thereto is bound which, to Seller's knowledge, is the case for each Material Contract. No event has occurred which is or, after the giving of notice or passage of time, or both, would constitute a material default under or a material breach of any Assumed Contract by Seller or its Affiliate, or to the knowledge of Seller, by any other party thereto. Seller has performed all material obligations required to be performed by Seller under each Material Contract. Seller is not aware of any threatened cancellation or any outstanding dispute under any of the Material Contracts, and neither Seller nor its Affiliate has materially impaired its rights under any of the Material Contracts.

4.6 Legal Proceedings. Except as set forth in Schedule 4.6, there is no claim, action, suit, arbitration, inquiry, investigation or proceeding pending against involving or affecting the Business or any of the Purchased Assets, or to the knowledge of Seller, threatened against, involving or affecting the Business or any of the Purchased Assets, by or before any Governmental Authority or any other Person. None of the matters set forth in Schedule 4.6 has had, or is reasonably expected to have, a Material Adverse Effect on the Business. Neither Seller, the Business nor any of the Purchased Assets is subject to any material Governmental Order. There is no action, suit, investigation or proceeding pending against, or to the knowledge of Seller threatened against or affecting, Seller before any Governmental Authority which in any manner challenges or seeks to prevent, enjoin, alter or materially delay the Transactions contemplated by this Agreement.

4.7 Compliance with Law. Except as set forth on Schedule 4.7, Seller has complied, in all material respects, with all applicable Governmental Orders and Legal Requirements. Seller has not received any notice that any violation of the foregoing is being or may be alleged.

4.8 Permits. Schedule 1.2(e) sets forth each material Permit and License which is held or used by the Seller in the conduct of the Business. Seller has delivered or made available to Buyer for inspection a true and correct copy of each Permit and License. The Permit and License constitute all of the material permits and licenses used in, relating to and necessary for the conduct of the Business as currently conducted as of the date of this Agreement and has made all registrations or filings with or notices to any Governmental Authority for the lawful ownership of the Purchased Assets, the operation of the Business as presently conducted and the timely renewal, if applicable, of each such Permit and License. Each of the Permit and Licenses is valid and in full force and effect. Neither Seller nor any Affiliate thereof has received any notice or other communication from any Governmental Authority threatening to revoke, cancel, terminate or materially adversely amend or modify any of the Permit and Licenses, and the consummation of the Transactions contemplated by this Agreement and the Related Agreements and Documents of Conveyance will not result in the revocation, cancellation or termination of, or any materially adverse amendment or modification to, any of the Permit and Licenses. Seller has obtained all necessary permits and registrations to manufacture, sell and transport the Products of its Business and the components and intermediates used in preparing its Products, including all registrations required by the Toxics Substance Control Act.

4.9 Taxes.

(a) Seller has timely filed or caused to be timely filed with the appropriate taxing authorities all tax returns, statements, forms and reports (including elections, declarations, disclosures, schedules, estimates and information Tax Returns) for Taxes ("Tax Returns") that are required to be filed by, or with respect to, the income or operations of the Business and the ownership of the Purchased Assets on or prior to the Closing Date, and such Tax Returns are and will be true, correct and complete in all material respects.

(b) All Taxes due by or with respect to the income or operations of the Business and the ownership of the Purchased Assets for all taxable years or other taxable periods that end on or before the Closing Date and, with respect to any taxable year or other taxable period beginning on or before and ending after the Closing Date, for the portion of such taxable year or period ending on and including the Closing Date have been timely paid or will be timely paid in full on or prior to the Closing Date or accrued and adequately disclosed and fully provided for in accordance with GAAP on the Financial Statements.

(c) Except as set forth in Schedule 4.9(c):

(i) (A) Seller has not been the subject of an audit or other examination of Taxes by the tax authorities of any nation, state or locality with respect to the income or operations of the Business and the ownership of the Purchased Assets; (B) no such audit is pending or, to the knowledge of Seller, is contemplated; (C) Seller has not received any written notices from any taxing authority of proposed adjustment, deficiency, or underpayment of any material Taxes, or requesting information with respect to any material Taxes, relating to the income or operations of the Business and the ownership of the Purchased Assets; and (D) Seller is not contesting presently the Tax liability relating to the income or operations of the Business and the ownership of the Purchased Assets before any court, tribunal or agency;

(ii) All material Taxes which Seller is (or was) required by law to withhold or collect in connection with the income or operations of the Business and the ownership of the Purchased Assets have been duly withheld or collected, and have been timely paid over to the proper authorities to the extent due and payable;

(iii) No written claim has ever been made by any taxing authority in a jurisdiction where Seller does not file Tax Returns that a Tax Return is required to be filed in such jurisdiction with regard to the income or operations of the Business and the ownership of the Purchased Assets;

(iv) There are no material Liens on any of the Purchased Assets that arose in connection with any failure (or alleged failure) to pay any Taxes; and

(v) Seller is not a "foreign person" within the meaning of Section 1445 of the Code.

4.10 Employees. Except as set forth on Schedule 4.10, (i) Seller has complied in all material respects with all applicable laws regarding labor, employment and employment practices, terms and conditions of employment, occupational safety and health and wages and hours, (ii) Seller is not a party to, or bound by, any collective bargaining or union agreement or other written contract concerning employment, or any affirmative action plan established pursuant to any Legal Requirements or

Governmental Orders affecting the Business, (iii) no union is currently certified, and there is no union representation question and no union or other organizational activity that would be subject to the National Labor Relations Act (20 U.S.C. §151 et. seq.) existing or threatened with respect to the operations of Seller or the Business, (iv) no grievance exists, no arbitration proceeding arising out of or under any collective bargaining agreement is pending and no claim therefor has been asserted, and (v) there is no labor strike or labor dispute, slowdown or stoppage actually pending or, to Seller's knowledge, threatened against or affecting Seller's employees involved in the Business and the Business has not experienced any labor strikes or material labor disputes, slowdowns or stoppages involving Seller's employees in the last five (5) years. Seller is in compliance with the requirements of the WARN Act, and any state law equivalent, and has no liabilities pursuant to WARN Act or any applicable state law equivalent.

4.11 Brokers' Fees. Neither Seller nor any of its Affiliates has any liability or obligation to pay any fees or commissions to any broker, finder, Person, firm, or agent with respect to the Transactions contemplated by this Agreement for which Buyer or any of its Affiliates could become liable or obligated.

4.12 Intellectual Property.

(a) Schedule 4.12(a) is a complete and accurate list of all domestic and foreign patents, patent applications, Trademarks, registered copyrights and applications for registration thereof, Internet domain names, URLs and software included in the Intellectual Property. To the extent indicated on such schedule, the Intellectual Property listed on Schedule 4.12(a) has been duly registered in, filed in or issued by the United States Patent and Trademark Office, United States Copyright Office, a duly accredited and appropriate domain name registrar, the appropriate offices in the various states of the United States and the appropriate offices of other jurisdictions (foreign and domestic), and each such registration, filing and issuance remains in full force and effect as of the Closing Date. Seller exclusively owns all right, title and interest in and to the Intellectual Property, including the exclusive right to file, prosecute and maintain all applications and registrations with respect to the Intellectual Property. No Intellectual Property has been cancelled, abandoned or otherwise terminated and all renewal and maintenance fees in respect thereof have been duly paid. There are no actions that must be taken or payments that must be made within 60 days following the Closing Date that, if not taken, will adversely affect the Intellectual Property.

(b) Schedule 4.12(b) is a complete and accurate list of all License Agreements granting rights to all Intellectual Property used in the Business which is not owned by Seller. With respect to each of such License Agreements, such agreement is in full force and effect, there is no default by Seller under such agreement, the execution, delivery or performance of Seller's obligations hereunder will not result in such a default and to the knowledge of Seller, there is no default by any third party thereunder. Each such License Agreement is a legal, valid and binding obligation of Seller or its Affiliate and, to Seller's knowledge, each of the other parties thereto, enforceable in accordance with the terms thereof.

(c) Except as set forth on Schedule 4.12(c), none of the Intellectual Property or any part thereof has been licensed, assigned, or otherwise transferred by Seller to any other Person.

(d) Except as set forth on Schedule 4.12(d), none of the Intellectual Property or the operation of the Business (as of the Closing Date and as operated during the 12 months prior to the Closing Date) (i) infringes upon, misappropriates or violates the rights of any Person, (ii) is subject to challenge, claims of infringement, unfair competition or other claims, or (iii) is being infringed upon, misappropriated or violated by any Person. There are no pending or threatened claims by any Person or Governmental Authority of a violation, infringement, misuse or misappropriation by Seller of any

Intellectual Property owned by any third party, or of the invalidity of any patent or registration of a copyright, trademark, service mark, domain name, or trade name included in the Intellectual Property. To the best knowledge of Seller, Seller does not know of any valid basis for any such claims.

(e) Except as set forth on Schedule 4.12(e), Seller has the right to transfer the Intellectual Property to Buyer; and at the Closing, Buyer will receive the Intellectual Property without obligation to pay any royalty or other fees with respect thereto, and free and clear of any Liens. No other Intellectual Property has been used in the conduct of the Business during the past 12 months. The Intellectual Property constitutes all the Intellectual Property necessary for the operation of the Business.

(f) Copies of all items of Intellectual Property which have been reduced to writing or other tangible form and License Agreements will be delivered by Seller to Buyer within five (5) days from the date of this Agreement.

(g) Seller has taken reasonable steps to protect and preserve the confidentiality of all trade secrets (including, without limitation, formulations, processing and test procedures, know-how, source codes, databases, customer lists, schematics, ideas, algorithms and processes) included in the Intellectual Property.

4.13 Insurance. Set forth on Schedule 4.13 is an accurate and complete list of the material insurance policies or binders of insurance held by or on behalf of Seller which relate to the Business, the Purchased Assets or both. Such policies are in full force and effect, all premiums thereon have been paid, and Seller is otherwise in compliance in all material respects with the terms and provisions of such policies. Except as set forth on Schedule 4.13, (i) there is no default with respect to any such policy or binder, (ii) there exists no event, occurrence, condition or act (including the purchase of the Purchased Assets and assumption of the Assumed Liabilities hereunder) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default thereunder, nor (iii) 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. Except as set forth on Schedule 4.13, there is no notice of non-renewal or cancellation with respect to, or disallowance of any claim under, any such policy or binder that has been received by Seller or any of its Affiliates, nor has the termination of any such policy or binder been threatened. Schedule 4.13 also sets forth a list of all pending claims and the claims history for Seller during the past three (3) years (including with respect to insurance obtained but not currently maintained).

4.14 Absence of Certain Changes. Except as contemplated by this Agreement, or as set forth in Schedule 4.14 the Business has been conducted in the ordinary course since December 31, 2006, and there has not been with respect to Seller any fact, circumstance or event which has had, or is reasonably likely to result in, a Material Adverse Effect on the Business and Seller has not:

(a) sold, transferred, leased (including sale/lease-back), subleased, licensed or otherwise disposed of any material properties or assets, real, personal or mixed (including, without limitation, leasehold interests and intangible property), other than the sale of Inventory in the ordinary course of business consistent with past practice;

(b) made any commitment in excess of \$50,000 to acquire any assets or properties (other than Inventory in the ordinary course of business consistent with past practice);

(c) accelerated the collection of or written off as uncollectible any notes or receivables, including the Accounts Receivable, except write-offs in the ordinary course of business, consistent with past practice, none of which individually or in the aggregate is material to the Business;

(d) increased the compensation payable to any of the officers or employees of Seller, except in the ordinary course of business consistent with past practice, or granted any bonus, severance or termination pay to, or entered into any employment or severance agreement with, any director, officer or other employee of Seller;

(e) terminated, canceled, waived, amended or compromised any claims or rights of substantial value;

(f) made any change in any method of accounting, other than those changes permitted or required by GAAP;

(g) permitted or allowed any of the Purchased Assets to be subjected to any Lien, other than Permitted Liens;

(h) written down or written up (or failed to write down or write up in accordance with GAAP) the value of any Inventory or revalued any of the Purchased Assets other than in the ordinary course of business consistent with past practice and all in accordance with GAAP;

(i) made any material changes in the customary methods of operations of the Business;

(j) failed to pay any creditor any material amount owed to such creditor in the ordinary course of business consistent with past practice;

(k) disclosed any secret or confidential Intellectual Property (except by way of issuance of a patent) unless such disclosure was covered by a legally binding and enforceable confidentiality undertaking or permitted to lapse or become abandoned any Intellectual Property (or any registration or grant thereof or any application relating thereto);

(l) allowed any Permits and Licenses that relate to the Business to lapse or terminate or failed to renew any insurance policy;

(m) entered into, materially amended, modified or consented to the termination of any Material Contract;

(n) entered into any Contract or letter of intent with respect to (whether or not binding), or otherwise committed or agreed, whether or not in writing, to do any of the foregoing; or

(o) taken any action that, if taken subsequent to the execution of this Agreement and on or prior to the Closing Date, would constitute a breach of the covenants set forth in Section 6.1.

4.15 Customers and Suppliers. Seller has used commercially reasonable efforts to maintain, and currently maintains, good working relationships with all of the material customers and suppliers of the Business. Schedule 4.15 specifies the names of the respective customers that were the ten (10) largest customers during 2006 and to the date hereof in terms of dollar value of products or services, or both, sold by the Business. Except as specified in Schedule 4.15, none of such customers has given Seller notice terminating, canceling or threatening to terminate or cancel any Assumed Contract or relationship with Seller. Schedule 4.15 also specifies the names of the respective suppliers that are the five (5) largest suppliers in terms of dollar value of products or services, or both, used by the Business during 2006 and

to the date hereof. None of such suppliers has given Seller notice terminating, canceling or threatening to terminate, cancel or materially reduce any Assumed Contract or relationship with Seller.

4.16 Transactions with Affiliates. Except as set forth on Schedule 4.16, (i) there are no Contracts, liabilities or obligations relating to the Business, between Seller and any Affiliate of Seller and (ii) neither Seller, any Affiliate of Seller nor any officer or director of Seller or any of its Affiliates possesses, directly or indirectly, any financial interest in, or is a director, officer or employee of, any Person which is a client, supplier, customer, lessor, lessee, or competitor or potential competitor of Seller relating to the Business. Ownership of securities of a company whose securities are registered under the Securities Exchange Act of 1934, as amended, of 1% or less of any class of such securities shall not be deemed to be a financial interest for purposes of this Section 4.16.

4.17 Accounts Receivable. The Accounts Receivable included in the Purchased Assets are bona fide accounts receivable created in the ordinary course of business. Except as set forth on Schedule 4.17, none of such Accounts Receivable is, or at the Closing Date will be, subject to any counterclaim or set-off except to the extent of any such provision or reserve. None of the Accounts Receivable has been pledged as collateral or otherwise is subject to any Lien.

4.18 Inventory. Except as set forth in Schedule 4.18, the Inventory has been valued at the lower of cost or market value, consistent with Seller's past practice. Seller has fully and completely provided to Buyer in detail the cost of individual raw materials, containers and reusable totes and packaging materials. The costs of individual raw materials, containers and reusable totes and packaging materials and the work in process, finished goods and Products made from the them as provided to Buyer are true, correct, current and complete as of the Closing. The Inventory is in the possession or control of Seller or in transit to or from a customer or supplier of Seller. None of the Inventory has been pledged as collateral or otherwise is subject to any Lien or is held on consignment from others. The Inventory was acquired or produced in the ordinary course of business. Except as set forth in Schedule 4.18, the Inventory is good and merchantable and is of a quality and quantity presently useable and salable in the ordinary course of business.

4.19 Warranty Claims. There are no threatened or pending Warranty Claims against Seller in connection with the Business, which Warranty Claims exceed \$10,000 in the aggregate or are not covered by insurance. Except as set forth on Schedule 4.19, Seller does not make any representation or warranty to its customers with respect to products sold or services delivered by it in connection to the Business. Schedule 4.19 contains a complete list of the threatened or pending Warranty Claims against Seller. As used herein, the phrase "Warranty Claims" means claims by third parties for defects in products sold by Seller in connection with the Business, which the customer claims do not meet the product warranty.

4.20 Financial Statements.

(a) Seller has furnished Buyer with the balance sheets of the Business as of December 31, 2006, and as of December 31, 2005 and the related statements of income and cash flows for the year then ended and for the twelve (12) months then ended, respectively, of the Business and a balance sheet and statement of income and cash flow for the current fiscal year to date through May 2007 (collectively, the "Financial Statements"). The Financial Statements have been prepared in accordance with GAAP consistently followed throughout the period indicated.

(b) The balance sheets included in the Financial Statements fairly present, in all material respects, the financial condition of the Business as of the dates thereof and the statements of income and cash flows included in the Financial Statements fairly present the results of operations and cash flows of the Business for the periods indicated therein.

(c) the costs of each and all raw materials, containers and packaging materials included in the detailed analysis prepared by Pricewaterhouse Coopers for Sellers are true, correct and complete;

4.21 Interests in Other Persons. Seller does not hold an ownership interest in any Person and has not made any investment in any Person that relates to the Business.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as of the date hereof, and as of the Closing Date, as set forth below.

5.1 Authority. Buyer has the full right, power, and authority, without the consent of any other Person, to (a) execute and deliver this Agreement, the Related Agreements and Documents of Conveyance to which it is a party and the other instruments and agreements to be executed and delivered by Buyer as contemplated hereby, and (b) consummate the Transactions contemplated hereby and thereby, including the purchase of the Purchased Assets and assumption of the Assumed Liabilities. The execution, delivery and performance of this Agreement and all other instruments and agreements to be executed and delivered by Buyer as contemplated hereby, and the consummation of the Transactions contemplated hereby and thereby, have been duly authorized by Buyer's members and no other corporate action on the part of Buyer is necessary to authorize the execution, delivery and performance of this Agreement and such other instruments and agreements by Buyer and the consummation of the Transactions contemplated hereby and thereby.

5.2 Validity. This Agreement has been, the Related Agreements and Documents of Conveyance and other documents to be delivered by Buyer at Closing will be, duly executed and delivered by Buyer and will constitute the valid and legally binding obligations of Buyer, enforceable in accordance with their respective terms. The execution and delivery by Buyer of this Agreement and the Related Agreements and Documents of Conveyance to which it is a party and the consummation of the Transactions contemplated hereby and thereby will not (with or without notice, the passage of time or both) result in the creation of any lien, charge or encumbrance or the acceleration of any indebtedness or other obligation of Buyer and are not prohibited by, do not violate or conflict with any provision of, and do not and will not (with or without notice, the passage of time or both) result in a default under or a breach of (i) the charter or bylaws of Buyer, (ii) any material Contract to which Buyer is a party or by which Buyer is bound, (iii) any Government Order or (iv) any Legal Requirement applicable to Buyer, except in each of the foregoing cases for such creations, accelerations, terminations, violations, conflicts, breaches, defaults, charges or encumbrances which, in the aggregate will not have an adverse affect on Buyer's ability to consummate the Transactions contemplated hereby.

5.3 Due Organization. Buyer is a limited liability company duly organized, in good standing and validly existing under the laws of Delaware. Buyer is, or will be prior to Closing, duly qualified or registered to do business as a foreign limited liability company and is, or will be prior to Closing, in good standing in the State of Indiana.

5.4 Brokers' Fees. Buyer has no liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the Transactions contemplated by this Agreement for which Seller could become liable or obligated.

5.5 Litigation. There is no action, suit, investigation or proceeding pending against, or to the knowledge of Buyer threatened against or affecting, Buyer before any Governmental Authority which in any manner challenges or seeks to prevent, enjoin, alter or materially delay the Transactions.

ARTICLE VI

COVENANTS OF SELLER

6.1 Interim Conduct of Business. From the date of this Agreement up to and including the Closing Date, except as may be agreed upon in writing between Seller and Buyer, Seller shall carry on the Business in the usual and ordinary course and in a manner consistent with its past practices and policies. Notwithstanding the immediately preceding sentence, prior to the Closing Date, except as may be first approved in writing by Buyer, which approval shall not be unreasonably withheld, or as is otherwise expressly required by this Agreement, Seller shall

(a) refrain from the following:

(i) incurring any Indebtedness which is secured by a Lien on any of the Purchased Assets,

(ii) entering into any Material Contract (other than contracts for the purchase of raw materials and other consumables, sale of inventory and other customer contracts) or other transaction with a dollar value in excess of \$10,000 individually or \$50,000 in the aggregate,

(iii) except in the ordinary course of business, granting any waiver under or giving any consent with respect to any Assumed Contract,

(iv) defaulting under, or taking or failing to take any action that (with or without notice or lapse of time or both) would constitute a default under any term or provision of any Assumed Contract;

(v) accelerating the collection of any Accounts Receivables or failing to pay in a manner consistent with past practice, any payables related to the Purchased Assets, the Assumed Liabilities or the Business,

(vi) taking any action that, if taken subsequent to the execution of this Agreement and on or prior to the Closing Date, would constitute a breach of the representations set forth on Section 4.14,

(vii) making any loans, advances or capital contributions to, or investments in, any other Person with respect to the Business or the Purchased Assets, or

(viii) making any capital expenditure commitment in excess of \$10,000 individually or \$50,000 in the aggregate; and

(b) do the following:

(i) maintain and service the Purchased Assets consistent with past practice,

(ii) confer with Buyer prior to implementing any operational decisions primarily related to the Business that are material to the Business,

(iii) use its commercially reasonable efforts to preserve intact its business organization and its customer, supplier, licensors and other third party business relationships relating to the Business, and to keep available the services of its officers and employees,

(iv) confer with Buyer prior to settling any material litigation or outstanding claims, and

(v) maintain insurance for the Business and the Purchased Assets in a manner consistent with its past practices and policies.

6.2 Access. From the date of this Agreement up to and including the Closing Date, Seller shall give Buyer and its Representatives and financing sources, full and complete access, upon reasonable notice and during normal business hours, to Seller's Representatives, customers, suppliers, landlords or tenants and the Facility as well as any books and records relating to the Business; provided that after consultation with Buyer, to the extent permissible, Seller may restrict access and the provision of information to the extent it reasonably believes necessary to

(a) comply with existing confidentiality agreements with third parties (provided that, upon Buyer's reasonable request, Seller shall use its commercially reasonable efforts to secure waivers of any such confidentiality agreements) and

(b) preserve legal privilege.

Seller shall instruct its Representatives to cooperate with Buyer in accordance with the terms of this Agreement, including without limitation

(c) be reasonably available to Buyer and its Representatives and financing sources and

(d) furnish Buyer and its Representatives and financing sources with any information reasonably requested by them.

Buyer and Seller shall each bear all of its own out-of-pocket costs and expenses reasonably incurred in connection with the foregoing. Such access or review shall not, however, affect the representations and warranties made by Seller in this Agreement or the remedies of Buyer for breaches of those representations and warranties.

6.3 Permits, Licenses and Other Approvals. Seller shall assist and use its commercially reasonable efforts to cooperate with Buyer in securing any and all permits, licenses, approvals, consents, certifications and registrations of any Governmental Authority or third party which is or may be required for or in connection with the lawful consummation of the Transactions (including without limitation, the assignment to Buyer of the Permits and Licenses to the extent the same are assignable) and the lawful operation of the Business by Buyer from and after the Closing Date, provided that the foregoing shall not require Seller to make any payment or incur any economic burden.

6.4 Consummation.

(a) Subject to the terms and conditions contained herein, Seller and Buyer shall cooperate and use their respective commercially reasonable efforts to take, or cause to be taken, all appropriate action, and to make, or cause to be made, all filings necessary, proper or advisable under applicable Legal Requirements and to consummate and make effective the Transactions contemplated by this Agreement and the Related Agreements, and Seller shall use commercially reasonable efforts to obtain, prior to the Closing Date, all Required Consents as are necessary to fulfill the conditions to consummation of the Transactions contemplated hereby as set forth in Article VIII of this Agreement, to allow the Buyer to operate the Business as currently conducted and intended to be conducted and to validly transfer and assign to Buyer the Purchased Assets.

(b) Between the date of this Agreement and the Closing Date, Seller shall promptly notify Buyer in writing any events, circumstances, facts or occurrences that

(i) cause any information set forth in the Disclosure Schedules no longer be complete, true or applicable or

(ii) that arises after the date hereof and would have been required to be included in the Disclosure Schedules if such events, circumstances, facts or occurrences had arisen on or before the date of delivery thereof.

Any such updates shall not have the effect of curing any breach as of the date hereof of any representation or warranty contained herein and shall not affect Buyers' rights under Section 13.1(f) with respect thereto.

6.5 Risk of Loss. Seller shall bear the risk of loss or damage to the Purchased Assets from the date of this Agreement until the Closing.

6.6 Transfer of Permits. Seller shall use its commercially reasonable efforts to transfer the Permits and Licenses to Buyer (or to obtain new ones, if any terminate by operation of law) and Seller will cooperate with Buyer to affect such transfer.

6.7 Exclusive Dealing. From and after the date hereof and up to and including the earlier of the Closing Date or the Termination Date, without the prior written consent of Buyer, Seller will not, and will not authorize or permit any Representative of Seller to, directly or indirectly, solicit, initiate or encourage (including by way of furnishing information) or engage in any discussion or negotiations with, or provide any information to, or accept any offer or proposal from any Person (other than Buyer or its Affiliates) concerning any purchase of the assets or properties of the Business or any merger, sale of assets or similar transaction involving the Purchased Assets or the Business or any transaction involving a change in control of Seller. If Seller or any of its Representatives, Affiliates or their respective Representatives receive any proposal, offer, inquiry to, or contact with respect to the foregoing, Seller shall immediately notify Buyer of the same and shall describe in reasonable detail the identity of any such Person and the material terms of any such proposal. Seller shall not prevent Seller and its Representatives from engaging in negotiations regarding the Excluded Assets provided any resulting transaction will not interfere with Seller's ability to fully discharge its obligations under the Related Agreements, and in particular the Tolling and Support Agreement.

6.8 Due Diligence. Buyer shall be permitted to review the books and records and the Intellectual Property of Seller with respect to the Business and to discuss the relationship of the Business.

with Seller's customers and vendors. Seller shall furnish such materials for inspection by the Buyer or Buyer's agents as Buyer reasonably shall request and to make members of management available for such purpose. Buyer agrees to maintain all information so obtained in strict confidence, pursuant to the provisions of the Confidentiality Agreement referred to in Section 7.2 of this Agreement.

6.9 Termination of Rights to the Trademarks.

(a) Seller acknowledges and agrees that, except as otherwise provided in this Section 6.9, following the Closing Date, Seller and its Affiliates shall cease and discontinue all uses of the names or trademarks of Seller or any of its Affiliates including "Bond Plus" and each and all of the other designations for Products as shown on Appendix B either alone or in combination with other words (the "Trademarks"). As promptly as practicable after the Closing Date and, unless expressly permitted elsewhere in this Section 6.9 or as required pursuant to the terms of the Tolling and Support Agreement, in no event later than the three (3) months immediately following the Closing Date, Seller and its Affiliates shall relabel, destroy or exhaust all materials bearing the Trademarks, including all advertising and promotional materials and other publicly disseminated information, shall make all filings with any office, agency or body to effect the elimination of any use of the Trademarks or assignment of the Trademarks to Buyer, and shall discontinue use of or transfer to Buyer, at Buyer's election, all internet addresses and domain names containing the Trademarks so as to bring Buyer and its Affiliates into compliance with this Section 6.9.

(b) Seller, for itself and its Affiliates, acknowledges and agrees that, except as otherwise expressly provided in this Section 6.9, neither Seller nor any of its Affiliates shall have any rights in the Trademarks and neither Seller nor any of its Affiliates shall contest the ownership or validity of any rights of Buyer or any of its Affiliates in or to the Trademarks.

6.10 Intercompany Accounts. Seller and Buyer agree that all intercompany accounts between Seller and any of its Affiliates, shall be settled at or prior to the Closing.

6.11 Enforcement of Warranties. Seller shall, following the Closing, and to the extent any of the Warranties are not transferable to Buyer under applicable Legal Requirements,

(a) fully and diligently enforce its rights under such Warranties for the benefit of Buyer and in the manner that Buyer shall direct, and

(b) promptly pay to Buyer as Buyer shall direct all monies and other consideration received by Seller under or pursuant to such Warranty, net of any expenses to Seller.

To the extent that such actions are undertaken by Seller at the request of Buyer, Seller shall use its commercially reasonable efforts to enforce its rights at the sole expense of Buyer.

ARTICLE VII

COVENANTS OF BUYER

7.1 Consummation. Subject to the terms and conditions provided herein, Buyer agrees to use commercially reasonable efforts to take, or cause to be taken all actions and to do, or cause to be done all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the Transactions; except that this covenant shall not require Buyer to make any payment or incur any economic burden not provided for herein.

7.2 Confidentiality. Any information obtained by Buyer pursuant to this Agreement or with respect to a Seller and/or any of its Affiliates, shall be subject to the terms and conditions set forth in that certain Confidentiality Agreement, by and between Myers Capital Partners and Premier Business Group, Ltd dated October 11, 2006 (the "Confidentiality Agreement"), by and among Seller and Buyer (on behalf of itself and its Affiliates), the terms of which are incorporated herein by reference. Effective upon, and only upon, the Closing, Buyer's obligations under the Confidentiality Agreement shall terminate with respect to information relating to the Business. The provisions of this Section 7.2 shall survive any termination of this Agreement.

7.3 Records and Documents. Notwithstanding its obligation to deliver the Documents to Buyer at Closing, Seller shall have the right to retain copies of all books and records of the Business (excepting therefrom copies of Intellectual Property) relating to periods ending on or prior to the Closing Date. Buyer agrees that it shall preserve and keep or cause to be preserved and kept, all original books and records in respect of the Business in the possession of Buyer or its Affiliates for a period of five years from the Closing Date. During such five-year period, representatives of Seller shall, upon reasonable notice and for any reasonable business purpose, have reasonable access during normal business hours to examine, inspect and copy such books and records at its cost and expense; provided that Buyer may restrict access and the provision of information to the extent it reasonably believes necessary to preserve legal privilege. After such five-year period, before Buyer or any Affiliate disposes of any such books and records, Buyer shall give at least (sixty) 60 days' written notice of such intention to dispose to Seller, and Seller shall be given an opportunity, at its cost and expense, to remove and retain all or any part of such books and records as Seller may elect.

7.4 Transfer of Permits. Any recording, filing, permit or license fee payable in connection with the assignment, if possible, of any of the Permits and Licenses or of the Assumed Contracts shall be paid by Buyer provided that this provision shall not require Buyer to make any payments with respect to the Assumed Contracts.

ARTICLE VIII

CONDITIONS TO CLOSING

8.1 Conditions Precedent to Obligations of Seller. The obligation of Seller to consummate the Transactions contemplated by this Agreement is subject to fulfillment or waiver, prior to or at the Closing, of each of the following conditions:

(a) Representations and Warranties; Covenants.

(i) The representations and warranties of Buyer contained in this Agreement and the information, all lists, certifications, documents and other writings delivered to Sellers pursuant hereto shall be true and correct in all material respects (taken as a whole) as of the Closing as if made on the Closing Date (other than representations and warranties made as of another date, which representations and warranties shall have been true and correct in all material respects (taken as a whole) as of such date);

(ii) the covenants contained in this Agreement to be complied with by Buyer on or before the Closing shall have been complied with in all material respects; and

(iii) Seller shall have received a certificate of Buyer to such effect signed by a duly authorized executive officer.

(b) Legal Requirements. There shall be no Legal Requirement or Governmental Order in existence that prohibits or materially restrains the consummation of the Transactions contemplated by this Agreement or have the effect of making them illegal.

(c) Closing Deliveries. Seller shall have received each of the items described in Section 3.2.

8.2 Conditions Precedent to Obligations of Buyer. The obligation of Buyer to consummate the Transactions contemplated by this Agreement is subject to fulfillment or waiver, prior to or at the Closing, of each of the following conditions:

(a) Representations and Warranties; Covenants.

(i) The representations and warranties of Seller contained in this Agreement and its Disclosure Schedules and the information, all lists, certifications, documents schedules, financial information and statements and other writings delivered to Buyer pursuant hereto that are not qualified by reference to materiality or Material Adverse Effect shall be true and correct in all material respects (taken as a whole) as of the Closing as if made on the Closing Date (other than representations and warranties made as of another date, which representations and warranties shall have been true and correct in all material respects (taken as a whole) as of such date), and the representations and warranties of Seller contained in this Agreement that are qualified by reference to materiality or Material Adverse Effect shall be true and correct in all respects as of the Closing as if made on the Closing Date (other than representations and warranties made as of another date, which representations and warranties shall have been true and correct as of such date);

(ii) the obligations and covenants contained in this Agreement to be complied with by Seller on or before the Closing shall have been complied with in all material respects; and

(iii) Buyer shall have received a certificate of Seller to such effect signed by a duly authorized executive officer.

(b) Required Consents. Buyer shall have received the Required Consents in form and substance reasonably satisfactory to Buyer.

(c) Contribution Margin. Seller shall have released all details, analysis and information relating to the cost of Products and the Contribution Margin prepared by Pricewaterhouse Coopers pursuant to a confidentiality agreement such that Buyer is able to confirm, and does confirm, that (i) the Revenues of Seller for the twelve (12) Fiscal Months immediately preceding the Closing Date, when kept in the ordinary course of business using GAAP is not less than \$1,600,000; and (ii) the Contribution Margin for the twelve (12) Fiscal Months immediately preceding the Closing Date when kept in the ordinary course of business using GAAP is not less than \$600,000.

(d) Due Diligence. Buyer shall have completed its due diligence review of the Business in accordance with Section 6.8 and have no material objections to such matters.

(e) Required Permits. Buyer shall have received any Permits and Licenses that are necessary to conduct the Business as it is conducted on the date hereof pursuant to any applicable Legal Requirement, in form and substance reasonably satisfactory to Buyer.

(f) Legal Requirements. There shall be no Legal Requirement or Governmental Order in existence that prohibits or materially restrains the consummation of the Transactions contemplated by this Agreement or have the effect of making them illegal, or would have the effect of materially interfering with Buyer's ability to conduct the Business.

(g) No Litigation. No Action shall have been commenced or threatened by or before any Governmental Authority against Seller or Buyer, seeking to restrain or materially and adversely alter the Transactions contemplated by this Agreement or any of the Related Agreements.

(h) Closing Deliveries. Buyer shall have received each of the documents described in Section 3.3.

(i) Financing. Buyer shall have received the proceeds of the financing from its lender, Madison Capital Funding LLC, pursuant to transaction documents satisfactory to Buyer.

(j) Material Adverse Effect. Since the date of the Agreement, there shall not have been any Material Adverse Effect, and there shall have been no event, circumstance or occurrence that could reasonably be expected to have a Material Adverse Effect.

ARTICLE IX

SURVIVAL AND INDEMNIFICATION

9.1 Survival. All representations and warranties, covenants and agreements of Seller and Buyer contained in or made pursuant to this Agreement or in any agreement or other document delivered pursuant hereto shall survive the Closing for a period of one (1) year after the Closing Date, and thereafter shall terminate (and no claims shall be made for indemnification under Sections 9.2(a) or 9.2(b) thereafter); provided, however, that (a) the representations and warranties set forth in Sections 4.1, 4.2, 4.3, 4.4, 4.11, 5.1, 5.2, 5.3 and 5.4 (the "Basic Representations") shall survive the Closing without limitation, (b) the representations and warranties of Seller in Section 4.9 (Taxes) shall survive the Closing Period for the period of sixty (60) days following the expiration of the applicable statute of limitations, (c) the indemnification obligation of Buyer to indemnify Seller after the Closing for the Assumed Liabilities shall survive the Closing indefinitely, and (d) the indemnification obligation of Seller to indemnify Buyer after the Closing for the Excluded Liabilities shall survive the Closing indefinitely; and provided, further, that the covenants and agreements that by their terms apply or are to be performed in whole or in part after the Closing Date, shall survive for the period provided in such covenants and agreements, if any, or until fully performed.

9.2 Indemnification.

(a) By Seller. Subject to the limitations contained in Sections 9.1 and 9.4, from and after the Closing Date, Seller covenants and agrees to indemnify, defend, protect and hold harmless Buyer and its Affiliates and their respective officers, directors, employees and agents from and against all losses, damages, costs, expenses, liabilities, obligations, actions and claims of any kind brought by any Person, including costs and reasonable attorneys' fees suffered, incurred or paid (the "Damages") as a result of

(i) the failure of one or more representation or warranty made by Seller in this Agreement or in any Schedule delivered pursuant to this Agreement, to be true and correct in all respects as of the date of this Agreement and as of the Closing Date without giving effect to any materiality or Material Adverse Effect or similar qualifications, unless waived by Buyer in

writing,

(ii) any breach or failure by Seller to perform one or more of its agreements, covenants or obligations contained in this Agreement, unless waived by Buyer writing; and

(iii) all other claims and liabilities asserted by any Person against either Seller or Buyer because of an act, omission, or express or implied obligation of Seller not expressly assumed by Buyer, including those identified in Section 1.4(b), unless waived by Buyer writing.

(b) By Buyer. Subject to the limitations contained in Sections 9.1 and 9.4, from and after the Closing Date, Buyer and any permitted assignee thereof covenants and agrees to indemnify, defend, protect and hold harmless Seller and its Affiliates and their respective officers, directors, employees and agents from and against all Damages as a result of

(i) the failure of one or more representation or warranty made by Buyer in this Agreement to be true and correct in all respects as of the date of this Agreement and as of the Closing Date without giving effect to any materiality or Material Adverse Effect or similar qualifications,

(ii) any breach or failure by Buyer to perform one or more of its agreements, covenants or obligations contained in this Agreement, and

(iii) all claims and liabilities asserted against either Seller expressly assumed by Buyer under the Assumed Contracts.

(c) Additional Indemnification Provision. Neither party hereto shall have an obligation to indemnify the other party or otherwise have liability to such other party for consequential damages, special damages, incidental damages, indirect damages, lost profits or similar items other than to the extent such amounts are paid in connection with a third party claim that is the basis of an indemnification claim under this Article IX.

9.3 Procedure for Claims. All claims or demands for indemnification under Sections 9.2(a) and 9.2(b) shall be asserted and resolved as follows:

(a) Notice of Indemnification. A party seeking indemnification under Section 9.2(a) or Section 9.2(b) (an "Indemnified Party") shall give prompt written notice to any Person who is obligated to provide indemnification thereunder (an "Indemnifying Party") of the commencement or assertion of any action, proceeding, demand, or claim by a third party (collectively, a "Third-Party Action") in respect of which such Indemnified Party shall seek indemnification hereunder; provided, that the failure to so notify shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent that the Indemnifying Party is actually and materially prejudiced thereby.

(b) Third Party Claims. The Indemnifying Party shall have thirty (30) days after receipt of such notice to assume control of the defense of, settle, or otherwise dispose of such Third-Party Action, through counsel reasonably acceptable to the Indemnified Party at the expense of the Indemnifying Party, and on such terms as it deems appropriate; provided, that

(i) the Indemnifying Party shall be entitled to assume the defense of such action only to the extent the Indemnifying Party acknowledges its indemnity obligation and

assumes and holds such Indemnified Party harmless from and against the full amount of any Damages resulting therefrom; and

(ii) the Indemnified Party shall have the right to retain control of the defense of, settle, or otherwise dispose of such Third-Party Action on such terms as it deems appropriate, but only if the Indemnified Party waives all claims for indemnification from the Indemnifying Party with respect to such Third-Party Action; and

(iii) the Indemnified Party shall be entitled, at its own expense, to participate in, but, except as otherwise provided for herein, not control the defense of such Third-Party Action; and

(iv) the Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by each claimant or plaintiff to each Indemnified Party a full release from all liability in respect of such Third-Party Action.

(c) Failure to Notify of Third Party Claim. If the Indemnifying Party does not notify the Indemnified Party within thirty (30) days after the receipt of the Indemnified Party's notice of a claim of indemnity hereunder that it elects to undertake the defense thereof as provided under Section 9.3(b), the Indemnified Party shall have the right to contest, settle or compromise the claim but shall not thereby waive any rights to indemnity for such claim pursuant to this Agreement.

(d) Cooperation. The parties hereto shall extend reasonable cooperation in connection with the defense of any Third-Party Action pursuant to this Section 9.3 and, in connection with such Third Party Action, shall furnish such records, information, and testimony and attend such conferences, discovery proceedings, hearings, trials, and appeals as may be reasonably requested.

(e) Limitation. Notwithstanding anything to the contrary in Section 9.3(b), the Indemnifying Party shall not be entitled to assume control of the defense of such Third Party Action but shall pay the fees and expenses of counsel retained by the Indemnified Party if

(i) such Third Party Action would give rise to Damages which are more than twice the amount indemnifiable by such Indemnifying Party pursuant to this Article IX;

(ii) the claim for indemnification relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation against an Indemnified Party;

(iii) the claim seeks an injunction or equitable relief against the Indemnified Party;

(iv) the Indemnified Party has been advised by counsel that there is a conflict of interest (or potential conflict of interest) between the Indemnifying Party and the Indemnified Party;

(v) the Indemnified Party reasonably believes an adverse determination with respect to the action, lawsuit, investigation, proceeding or other claim giving rise to such claim for indemnification would be materially adverse and detrimental to the Indemnified Party's reputation or future business prospects; or

(vi) upon petition by the Indemnified Party, the appropriate court rules that the Indemnifying Party failed or is failing to vigorously prosecute or defend such claim.

(f) **Other Failure to Notify.** In any case in which an Indemnified Party seeks indemnification hereunder which is not subject to Section 9.3(b) because no Third-Party Action is involved, the Indemnified Party shall notify the Indemnifying Party in writing of any Damages which such Indemnified Party claims are, or may be, subject to indemnification under the terms hereof. The failure of the Indemnified Party to exercise promptness in such notification shall not amount to a waiver of such claim unless the resulting delay actually and materially prejudices the position of the Indemnifying Party with respect to such claim.

9.4 **Certain Limitations.** Neither Seller under Sections 9.2(a), nor Buyer under Section 9.2(b), shall have any liability unless and until the amount of the aggregate indemnification obligations under such Sections exceeds \$25,000 (the "Threshold Amount"), whereupon the indemnifying party shall indemnify, defend, protect and hold harmless the indemnified party from and against all Damages including the Threshold Amount. The maximum aggregate amount of liability of Sellers under Section 9.2(a), or Buyer under Section 9.2(b), shall not exceed \$500,000 (in the case of Seller and of Buyer, respectively, the "Indemnification Cap"); provided, however, that the Threshold Amount and Indemnification Cap shall not apply to damages arising out of (i) breaches of the Basic Representations, or the representations and warranties made by Seller in Section 4.9, (ii) any claim for indemnification by Buyer, on the one hand or by Seller on the other, for failure to perform one or more of its covenants or obligations contained in this Agreement and to be performed after Closing, (iii) any claim by Buyer for indemnification from the liabilities excluded pursuant to Section 1.4(b), and (iv) any claim for indemnification by Buyer under the Related Agreements. Buyer and Seller acknowledge and agree that the foregoing indemnification provisions shall be the sole and exclusive remedy of Buyer and Seller for any breach of any representation, warranty, covenant or obligation contained in this Agreement or any other matters indemnifiable under such provisions. To the fullest extent permitted by law, all other rights and remedies of the parties arising under or in connection with this Agreement are hereby waived and released.

9.5 **Payment of Indemnification Obligations.** If any Indemnifying Party is required to make any payment under this Article IX, such party shall promptly pay the Indemnified Party the amount of such indemnity obligation. If there should be a dispute as to such amount, such Indemnifying Party shall nevertheless pay when due such portion, if any, of the obligation as shall not be subject to dispute. The difference, if any, between the amount of the obligation ultimately determined as properly payable under this Article IX and the portion, if any, theretofore paid shall bear interest at the Prime Rate for the period from the date the amount was demanded by the Indemnified Party until payment in full, payable on demand.

9.6 **Exclusive Remedies.** Except with respect to the matters covered by Article II, Seller and Buyer acknowledge and agree that, following the Closing, the indemnification provisions of Section 9.2 shall be the sole and exclusive remedy of Seller and Buyer, respectively, for any breach of the representations or warranties in this Agreement and for any failure to perform or comply with any covenant or agreements that, by their terms, were to have been performed or complied with prior to the Closing; provided, however, that nothing in this Article IX shall be deemed to limit or restrict in any manner any rights or remedies that any party has, or might have, at law, in equity or otherwise, against any other party hereto, based on any fraud, willful misrepresentation, willful breach of warranty or willful breach or failure to fulfill any agreement or covenant.

9.7 Mitigation. Each of the parties hereto agrees to take all reasonable steps to mitigate its respective Damages upon and after becoming aware of any event or condition which would reasonably be expected to give rise to any Damages that are indemnifiable under this Agreement.

ARTICLE X

TAX MATTERS

10.1 Allocation of Taxes; Transfer Taxes. All taxes shall be paid by the party upon whom the taxing authority or this Agreement imposes the same; neither party will pay taxes lawfully imposed upon the other. Sellers shall be liable for taxes, and be entitled to all refunds and credits, with respect to the income or operations of the Business or the ownership of the Assets that are attributable to the portion of the tax period ending on and including the Closing Date. Buyer shall be liable for taxes, and be entitled to all refunds and credits, with respect to the income or operations of the Business or the ownership of the Purchased Assets that are attributable to the portion of the tax period beginning the day after the Closing Date. Unless specifically imposed by law on Buyer or any Affiliate of Buyer, all stamp, transfer, documentary, sales and use, value added, registration, and other such taxes and fees (including any penalties and interest) incurred in connection with the transfer of Assets under this Agreement or any transaction contemplated hereby (the "Transfer Taxes") shall be paid by Sellers. Each party shall, at its own expense, properly file on a timely basis all necessary tax returns, reports, forms, and other documentation with respect to any Transfer Taxes and provide to the other party evidence of payment of all such taxes.

ARTICLE XI

RESOLUTION OF DISPUTES

11.1 Resolution by Negotiation. Except as provided for disputes concerning Working Capital, which disputes shall be resolved as set forth in Section 11.3 below, in the event of any dispute or disagreement between the parties either with respect to the interpretation of any provision of this Agreement or with respect to the performance by Seller or Buyer, then upon the written request of either Buyer or Seller (with a copy to the Escrow Agent), each of the parties will meet for the purpose of attempting to resolve such dispute. The parties will discuss the matter under dispute and negotiate in good faith in an effort to resolve the dispute within thirty (30) days (or such longer period as may be agreed to by the parties) without the necessity of any formal proceeding. During the course of such negotiation, all reasonable requests made by one party to the other for information will be honored in order that each of the parties may be fully advised. The specific format for such discussions will be left to the discretion of the parties, but may include the preparation of agreed upon statements of fact or of positions furnished to the other party. All verbal and written offers to settle or resolve the dispute communicated by the parties in connection with this Section 11.1 will be deemed prepared and communicated in furtherance, and in the context, of dispute settlement, and will be exempt from discovery and production, and will not be admissible in evidence (whether as an admission or otherwise) in any proceedings for the resolution of the dispute. Except as provided in Section 11.2 below, no formal proceedings for the resolution of such dispute will be commenced until the conclusion of the thirty (30) day (or longer) period referred to above.

11.2 Arbitration. Any dispute, controversy or claim arising out of, relating to or in connection with this Agreement, including any question regarding its existence, validity or termination, or regarding a breach of this Agreement, shall, subject to the provision below, be referred to and settled by arbitration under and in accordance with the rules of JAMS applicable to the dispute in Indianapolis Indiana; provided, however, that the parties hereto hereby acknowledge and agree that they may apply to any court

having jurisdiction for interim relief, including, without limitation, temporary restraining orders or preliminary injunctions, in addition to any remedy to which the parties may be entitled in any arbitration proceeding or in equity. Each party hereto consents to such arbitration as the sole and exclusive method of resolving any such dispute. To initiate arbitration, any party shall submit its notice of arbitration with a list of three (3) proposed arbitrators each of whom have judicial experience arbitrating similar legal disputes to all other parties. The expenses of the arbitration shall be borne as determined by the arbitral tribunal. The award of the arbitral tribunal shall be final and binding on the parties thereto. Judgment upon any arbitral award rendered may be entered and a confirmation order sought in any court having jurisdiction thereof.

11.3 Disputes Regarding Working Capital. If Buyer and Seller are unable to agree on the calculation of the Final Working Capital as provided in Section 2.5(a), the Seller shall engage an independent public accounting firm from among the "Big Four" national accounting firms, such firm to be approved by Buyer (the "Independent Accountants"). Buyer and Seller shall each submit their respective calculations of the actual Working Capital as of the Closing Date to the Independent Accountants together with such supporting information and documentation each shall deem appropriate or necessary. The Independent Accountants shall review the calculations of the Buyers on one hand and the Seller on the other to determine that the calculation and valuation of each and all elements of Working Capital as of the Closing Date relate solely to the Business and that the calculations were prepared consistently over the accounting periods under consideration. Based upon its review, the Independent Accountants shall determine whether the Working Capital as of the Closing Date shall be as calculated by the Seller or as calculated by the Buyer. Should the Independent Accountants be unable to determine that the calculation of either the Buyer or the Seller is correct, it shall be permitted to calculate the Working Capital as of the Closing Date using methods and criteria outlined above and such other procedures as that firm may determine in its sole discretion, consistent with this Agreement, giving consideration to the issues in dispute including reasonable details of each party's calculations of the Working Capital as of the Closing Date. Seller and Buyer shall furnish or cause to be furnished to the Independent Accountants such additional work papers and other documents and information relating to the disputed issues as the Independent Accountants may request and are available to that party or its agents and shall be afforded the opportunity to present to the Independent Accountants any material relating to the disputed issues and to discuss the issues with the Independent Accountants. The determination by the Independent Accountants shall only address the disputes of the parties and Buyer's and Seller's position with respect to the calculation of the Working Capital as of the Closing Date. The determination by the Independent Accountants, as set forth in a notice to be delivered to both Seller and to Buyer shall be final, binding and conclusive on the parties hereto, which amount shall be the "Final Working Capital". The Final Working Capital shall be used to recalculate the Final Purchase Price Adjustment as set forth above in Section 2.5. The fees and expenses of the Independent Accountant's in connection with its determination of the Final Working Capital will be paid by the Seller, on the one hand, and the Buyer on the other hand, based upon the proportion that the contested amount not awarded to each party bears to the amount actually contested by such party as determined by the Independent Accountants.

ARTICLE XII

POST CLOSING OBLIGATIONS

12.1 Mutual Cooperation. Buyer and Seller shall cooperate to put Buyer in possession of the Purchased Assets as soon as practical after the Closing Date, giving due regard for Seller's performance of its obligations under a Tolling and Support Agreement substantially in the form of Exhibit F and Seller's obligations pursuant to the Consulting Agreement. Consistent with the forgoing, from time to time after the Closing Date, Seller will provide Buyer reasonable access to the Facility where the Purchased Assets are located. Buyer shall take delivery of the Purchased Assets at the Facility of Seller.

12.2 Transition Support. Seller shall provide its support to transition the Business to Buyer's facility as provided pursuant to the Consulting Agreement and the Tolling and Support Agreement and shall make those of its agents, employees and representatives reasonably available to Buyer to facilitate the transition of the Business. Sellers shall refer inquiries from customers or potential customers of the Business to Buyer throughout the term of the Non-Competition Agreement.

12.3 Related Agreements. Sellers and Buyer shall have entered into the Related Agreements, each of which shall survive and become obligations of the parties upon the Closing of this Agreement.

12.4 Open Orders. Buyer shall assume all contractual obligations to customers under Assumed Contracts assigned at the Closing and indemnify, defend and hold harmless Seller from all such obligations pursuant to the provisions of Section 9.2(b). Buyer shall undertake to fulfill all Assumed Contracts according to their terms in the ordinary course of business and for its own account. Buyer shall forthwith place orders for Products to satisfy the Assumed Contracts with Seller under the Tolling and Support Agreement. Buyer and Seller and each of them shall use its commercially reasonable efforts to fulfill each of the Assumed Contracts according to its terms.

12.5 Orders and Payments

(a) Forwarding Future Orders. All actual or prospective orders and inquiries by customers for Products received by Seller after the Closing shall be immediately forwarded to Buyer, provided, however, that Seller shall fulfill orders received prior to the Closing in the ordinary course. At the Closing, Seller shall identify in writing each of the Assumed Contracts accepted, but not shipped, by it prior to the Closing. Each of such Assumed Contracts shall be assigned to Buyer in form acceptable to Buyer and to each customer, and Buyer shall fulfill each of the Assumed Contracts pursuant to the terms thereof for Buyer's own account after the Closing.

(b) Payment. After Closing, Buyer shall have the sole and exclusive right to collect and retain all money due it from customers from sales of Products made and shipped by Seller prior to the Closing as reflected on the Accounts Receivable. After Closing, Buyer shall have the sole right to collect and retain all money due from customers for sales of Products shipped by either Buyer or Seller to fulfill Assumed Contracts or orders accepted after the Closing. Any money received by or paid to Seller after the Closing, and intended by the payer in satisfaction of obligations owed in payment for Accounts Receivable or under the Assumed Contracts shall be promptly remitted by Seller to Buyer; and any money received by Seller with respect to orders filled by or for the Buyer for Products after the Closing Date under the Tolling and Support Agreement shall be promptly remitted by Seller to Buyer.

ARTICLE XIII

TERMINATION

13.1 Termination or Abandonment. Notwithstanding anything contained in this Agreement to the contrary, this Agreement may be terminated and abandoned at any time prior to the Closing:

- (a) by the mutual written consent of each of Seller and Buyer;
- (b) by either party hereto if there shall be any Legal Requirement of any competent authority that makes consummation of the Transactions or the sale of the Purchased Assets, illegal or otherwise prohibited or in the event of the issuance of a final, nonappealable Governmental Order

restraining or prohibiting consummation of the Transactions or the sale of the Purchased Assets (which Governmental Order the parties shall use commercially reasonable efforts to lift);

(c) by Buyer, if Seller shall have breached, or failed to comply with, any of its obligations under this Agreement or any representation or warranty made by Seller shall have been incorrect when made, and such breach, failure or misrepresentation is not cured within fifteen (15) Business Days after notice thereof, and in either case, as a result of any such breaches, failures or misrepresentations, individually or in the aggregate, the conditions set forth in Section 8.2 cannot be satisfied at or prior to the Closing Date;

(d) by Seller, 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 fifteen (15) Business Days after notice thereof, and in either case, as a result of any such breaches, failures or misrepresentations, individually or in the aggregate, the conditions set forth in Section 8.1 cannot be satisfied at or prior to the Closing Date;

(e) by Buyer if (i) the Revenues of Seller for the twelve (12) Fiscal Months immediately preceding the Closing Date, when kept in the ordinary course of business using GAAP is less than \$1,600,000; or (ii) the Contribution Margin for the twelve (12) Fiscal Months immediately preceding the Closing Date when kept in the ordinary course of business using GAAP is less than \$600,000 as provided in Section 2.1,

(f) by Buyer if Seller provides supplementary information pursuant to Section 6.4(b) or 14.14 that would have rendered any statement, representation or warranty made by such Seller or any information contained herein or in any Schedule attached hereto inaccurate or incomplete in any material respect.

(g) by Buyer, if there has occurred a Material Adverse Effect; or

(h) by either party hereto if the Closing shall not have occurred by the Termination Date; provided, however, that the right to terminate this Agreement under this Section 13.1 shall not be available to any party hereto whose failure to take any action required to fulfill in all material respects any obligation under this Agreement shall have been the cause of, or shall have resulted in, failure of the Closing to occur prior to such date.

13.2 Notice of Termination. Any party hereto desiring to terminate this Agreement pursuant to Section 13.1 shall give written notice of such termination to the other party to this Agreement.

13.3 Effect of Termination. If this Agreement is terminated pursuant to Section 13.1, this Agreement shall forthwith become void and there shall be no liability on the part of any party to this Agreement, except that the provisions set forth in Sections 7.2, 13.2, 13.3, 14.2, 14.3, 14.7, 14.8, 14.9, 14.10, 14.11, 14.12 and 14.15 shall survive any such termination of this Agreement; provided, however, that nothing in this Agreement shall relieve either Seller or Buyer from liability for any willful breach of this Agreement or willful failure to perform its obligations under this Agreement.

ARTICLE XIV

GENERAL PROVISIONS

14.1 Amendments and Waiver.

(a) At any time prior to the Closing, either Seller or Buyer may (i) extend the time for the performance of any of the obligations or other acts of the other party, (ii) waive any inaccuracies in the representations and warranties contained in this Agreement or in any document delivered pursuant to this Agreement or (iii) waive compliance with any of the agreements or conditions contained in this Agreement.

(b) No amendment, extension, waiver or consent with respect to any provision of this Agreement shall in any event be effective, unless the same shall be in writing and signed by the parties hereto, and then such amendment, waiver or consent shall be only in the specific instances and for the specific purpose for which given.

(c) No failure or delay by any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

14.2 Notices. All notices, requests, demands and other communications to any party hereunder shall be in writing and shall be personally delivered or sent by facsimile transmission with confirming copy sent by overnight courier, such as Express Mail or Federal Express and a delivery receipt obtained and addressed to the intended recipient as follows:

(a) If to Seller:

Industrial Adhesive, Co.
130 N. Campbell Ave.
Chicago, Illinois 60612

Attention: Mr. Manuel Belbis, President
Telephone No.: (312) 666-2686
Facsimile No.: (312) 666-1824

with a copy (which shall not constitute a notice) to:

Telephone No.:
Facsimile No.:

(b) If to Buyer:

Royal Adhesive and Sealants, LLC
2001 W. Washington St.
South Bend, Indiana 46628

Attention: Mr Gary Stenke, Chief Financial Officer
Telephone No.: (574) 246-5314
Facsimile No.: (574) 246-5406

with a copy (which shall not constitute a notice) to:

Royal Adhesives and Sealants, LLC
c/o TASC Holdings, LLC
450 S. Marengo
Pasadena, California 91105
Attention: Mr Theodore M. Clark
Telephone No.: (626) 568-1398
Facsimile No.: (626) 568-3352

Any party hereto may change its address or add or change parties for receiving notice by written notice given to the others named above. Notices shall be deemed given as of the date of receipt.

14.3 Expenses. Except as otherwise expressly provided herein, each party hereto shall pay its own costs and expenses (including legal and accounting costs and expenses) incurred in connection with the Transactions. Any recording, filing, permit or license fees payable in connection with the sale of the Purchased Assets and the Transactions shall be paid by Buyer.

14.4 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto. A facsimile signature or electronically scanned copy of a signature shall constitute and shall be deemed to be sufficient evidence of a party's execution of this Agreement, without necessity of further proof.

14.5 Successors and Assigns; Beneficiaries. This Agreement shall bind and inure to the benefit of the parties named herein and their respective successors and assigns. No party may assign any rights, benefits, duties or obligations under this Agreement without the prior written consent of the other party; provided, however, that Buyer may assign its rights hereunder (i) to its financing sources; (ii) to any direct or indirect wholly owned Subsidiary or to any Affiliate of which Buyer is a direct or indirect wholly-owned Subsidiary; and (iii) in connection with the sale or transfer by Buyer of all or substantially all of its capital stock and/or assets. No third party shall be entitled to enforce any provision hereof; and no third party is intended to benefit from this Agreement.

14.6 Entire Agreement. This Agreement, the Related Agreements, the Confidentiality Agreement and the documents referred to herein contain the entire agreement and understanding among the parties hereto with respect to the Transactions contemplated hereby and supersede all other agreements, understandings and undertakings among the parties on the subject matter hereof.

14.7 Announcements. No announcement of the specific terms of this Agreement shall be made by any party hereto without the written approval of the other party hereto (which approval shall not be unreasonably withheld), except a party hereto may, after consultation with its legal counsel, release any information regarding such matters if in the reasonable opinion of such counsel such a public release is required by Legal Requirements or stock exchange rule or is necessary for the assertion or enforcement of its contractual rights hereunder.

14.8 Partial Invalidity. In the event that any provision of this Agreement shall be held invalid or unenforceable by any court or competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

14.9 Governing Law; Jurisdiction. This Agreement shall be interpreted in accordance with the substantive laws of the State of Indiana applicable to contracts made and to be performed wholly within said State. All disputes, legal actions, suits and proceedings arising out of or relating to this Agreement shall be brought in a federal district or state court located in the State of Indiana. Each party hereto hereby consents to the jurisdiction of the federal district or state court in the state of Indiana. Each party hereto hereby irrevocably waives all claims of immunity from jurisdiction and any right to object on the basis that any dispute, action, suit or proceeding brought in the federal district or state court of the State of Indiana has been brought in an improper or inconvenient venue or forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without jurisdiction of any such court. Without limiting the foregoing, each party hereto agrees that service of process on such party as provided in Section 14.2 shall be deemed effective service of process on such party.

14.10 Waiver of Trial by Jury. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, LEGAL PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF EACH SUCH PARTY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF.

14.11 Captions. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

14.12 Other Rules of Construction. References in this Agreement to articles, sections, schedules, attachments and exhibits are to articles of, sections of, and schedules, attachments and exhibits to, this Agreement unless otherwise indicated. Words in the singular include the plural and in the plural include the singular. The word "including" shall mean including, without limitation. The article and other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The phrase "to the knowledge of Seller" or other language of similar effect, shall mean the actual knowledge after reasonable inquiry of Manuel Belbis, Rebecca Belbis and Brian Belbis.

14.13 Further Assurances. At and after the Closing and without further consideration, at the reasonable request of any other party, the parties hereto shall execute and deliver any and all documents and take any and all other actions as such other party may reasonably request or as may be reasonably requested by any applicable Governmental Authorities or third parties.

14.14 Disclosure Schedules. Between the date hereof and the Closing Date, Seller shall promptly disclose to Buyer in writing 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 hereof. Any such updates shall not have the effect of curing any breach as of the date hereof of any representation or warranty contained herein.

14.15 Negotiated Agreement. The parties hereto agree that the terms and language of this Agreement were the result of negotiations between such parties and, as a result, there shall be no presumption that any ambiguities in this Agreement shall be resolved against either party. Any controversy over construction of this Agreement shall be resolved against either party. Any controversy over construction of this Agreement shall be decided without regard to events of authorship or negotiation.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf by a duly authorized officer all as of the date first written above.

SELLER

INDUSTRIAL ADHESIVE, CO.

By: 

Name:

Title: *Pres.*

BUYER

ROYAL ADHESIVES AND SEALANTS, LLC

By: 

Name: *Keith DeMunn*

Title: *CEO*

Definitions

The terms used in this Agreement have the following definitions or are defined in the Sections referenced below:

“Accounts Receivable” means amounts owed to Seller for goods and services sold, net of returns and allowances, trade or credit discounts, allowance for doubtful accounts, freight, tax, insurance and commissions payable to sales representatives as determined and valued using GAAP.

“Action” means, any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under control with such other Person.

“Assumed Contracts” has the meaning assigned to such term in Section 1.2(d).

“Assumed Liabilities” has the meaning assigned to such term in Section 1.4.

“Assumed Trade Accounts Payable” means the current (but not past due) amounts payable within 30 days after the Closing on invoices received for raw materials and packaging that have been received into Inventory or have been shipped by the vendor to Seller as of the Closing Date and which are used primarily in the production of Products as determined and valued using GAAP. Assumed Trade Accounts Payable includes amounts for commissions included in the assigned Accounts Receivable due and payable to Seller’s sales representatives upon collection.

“Authorized Officer” means one or more officers of a party who has been duly authorized by its Board of Directors, or where necessary or appropriate, its shareholders or members to act on behalf of that party as described in this Agreement such that the act, warranty, representation, certification, execution or other action by the Authorized Officer shall be, in fact, the act of the party.

“Basic Representations” has the meaning assigned to such term in Section 9.1.

“Business” has the meaning assigned to such term in the Preamble.

“Business Day” means any day other than a Saturday or Sunday, or a day on which banks located in New York, New York are authorized or obligated by law or executive order to close.

“Buyer” has the meaning assigned to such term in the Preamble.

“Closing” has the meaning assigned to such term in Section 3.1.

“Closing Date” has the meaning assigned to such term in Section 3.1.

“Closing Purchase Price Adjustment” has the meaning assigned to such term in Section 2.4.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder.

“Confidentiality Agreement” has the meaning assigned to such term in Section 7.2.

“Contract” shall mean any written or oral note, bond, mortgage, indenture, guarantee, license, franchise, agreement, contract, sub-contract, commitment, undertaking, order, franchise agreement or other obligation, including all amendments thereto.

“Contribution Margin” means Revenues less raw material and packaging costs as determined consistent with past practice.

“Customer Lists” means all lists, databases or other compilations of past, current and prospective customers, including contact information, bid sheets, price history, cost information and cost basis for each element of the Products and contract information, material and package specifications, price and evaluation parameters of the Products as now comprised or as contemplated to be comprised and all Documents that record, embody, include or refer to them.

“Damages” has the meaning assigned to such term in Section 9.2.

“Disclosure Schedules” means the schedules delivered by Seller to Buyer and which form a part of this Agreement.

“Documents” means the originals and all copies of the books and records of the Business for the five (5) calendar years prior to the Closing Date, including all handwritten, typewritten, printed, photographed, photocopied, transmitted by electronic mail or facsimile, and every other means of recording upon any tangible thing, any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record created by such process, regardless of the manner in which the record has been stored, all to the extent that any of the foregoing may embody, include or refer to the Products, the Business, the Intellectual Property, the Contracts, the promotional materials, the supplier lists and Customer Lists, the Trademarks and any combination of them.

“Documents of Conveyance” means the Documents listed on Appendix C when in their final form identified as the “Bill of Sale, Assignment and Assumption Agreement”, the “Accounts Receivable Assignments”, and the “Accounts Receivable Assignments”.

“Employee Benefit Plans” means and includes such plans as defined in Section 3(3) of ERISA and all other employee benefit arrangements, including each severance, bonus, deferred compensation, incentive compensation, stock purchase, stock option, hospitalization or other medical, life, disability or other insurance, pension, profit-sharing or retirement program covering the employees of Seller.

“Environmental Laws” shall mean (i) the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendment and Reauthorization Act and otherwise, the Resource Conservation and Recovery Act, the Clean Air Act, the Toxic Substances Control Act, the Safe Drinking Water Act, the Federal Water Pollution Control Act, and all other federal laws relating to the environment, natural resources, health or safety in existence on the date hereof; (ii) all applicable state and local laws and ordinances in existence on the date hereof that relate to the environment, natural resources, health or safety; (iii) all regulations, permits, orders, decrees, binding agreements, and other binding obligations in existence on the date hereof relating to the administration of such federal, state, and local laws and ordinances; and (iv) all common-law requirements in existence on the date hereof that relate to the environment, natural resources, health or safety.

“Environmental Liabilities” shall mean any losses, damages, claims, suits, costs, expenses, liabilities, fines and sanctions of every kind (including, without limitation, reasonable attorneys' fees, court costs and costs of investigation) relating to or arising from (i) matters regulated under Environmental Laws, or (ii) the use, transportation, generation, handling, storage, treatment, recycling,

reclamation, disposal, emission, discharge, spill, leak, injection, escape, dumping, release or threatened release of any Hazardous Materials in any work place or to the air, land, surface waters, ground waters or other environmental medium.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereafter.

“Estimated Working Capital” has the meaning assigned to such term in Section 2.4(b).

“Excluded Assets” has the meaning assigned to such term in Section 1.3.

“Excluded Liabilities” has the meaning assigned to such term in Section 1.4.

“Facility” has the meaning assigned to such term in the Preamble.

“Financial Statements” has the meaning assigned to such term in Section 4.20(a).

“Final Purchase Price Adjustment” has the meaning assigned to such term in Section 2.5(b).

“Final Working Capital” has the meaning assigned to such term in Section 2.5(a).

“GAAP” means United States generally accepted accounting principals in effect as of the time of the relevant action by Seller relating thereto, consistently applied.

“Government Licenses” means all licenses, permits or franchises issued by any Governmental Authority relating to the operation, development, use, maintenance or occupancy of the Purchased Assets or of the Business to the extent that such licenses, permits or franchises relate primarily to the normal operation and conduct of the Business.

“Governmental Authority” means any United States federal, state or local or any supra-national or non-U.S. government, subdivision, governmental, regulatory or administrative authority, instrumentality, agency, body or commission, self-regulatory organization, or any court, tribunal, or judicial or arbitral body, or any supranational, quasi-governmental or private body exercising any regulatory, taxing, importing or other governmental, quasi-governmental, judicial or arbitral authority.

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“Hazardous Materials” means and includes any substance, material or waste that is regulated under, or is classified or characterized as hazardous, toxic or words of similar meaning defined as such in (or for the purposes of) (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §9601, et seq.) or the regulations thereunder, (ii) the Hazardous Materials Transportation Act (49 U.S.C. §1801, et seq.), (iii) the Resource Conservation and Recovery Act (49 U.S.C. §6901, et seq.), (iv) the Clean Water Act (33 U.S.C. §2601, et seq.) (v) the Occupational Safety and Health Act (29 U.S.C. §651, et seq.), and (vi) any Environmental Laws relating to the protection of human health, the environment or natural resources.

“Indebtedness” of any Person means and includes (i) indebtedness for borrowed money or indebtedness issued or incurred in substitution or exchange for indebtedness for borrowed money, (ii) amounts owing as deferred purchase price for property or services, including all seller notes and “earn-out” payments, (iii) indebtedness evidenced by any note, bond, debenture, mortgage or other debt

instrument or debt security, (iv) commitments or obligations by which such Person assures a creditor against loss (including contingent reimbursement obligations with respect to letters of credit), (v) indebtedness secured by a Lien on assets or properties of such Person, (vi) obligations or commitments to repay deposits or other amounts advanced by and owing to third parties, (vii) obligations under any interest rate, currency or other hedging agreement or (viii) guarantees or other contingent liabilities (including so called take-or-pay or keep-well agreements) with respect to any indebtedness, obligation, claim or liability of any other Person of a type described in clauses (i) through (vii) above. Indebtedness shall not, however, include Assumed Trade Accounts Payable.

“Indemnification Cap” has the meaning assigned to such term in Section 9.4.

“Indemnified Party” has the meaning assigned to such term in Section 9.3(a).

“Indemnifying Party” has the meaning assigned to such term in Section 9.3(a).

“Independent Accountants” has the meaning assigned to such term in Section 11.3.

“Intellectual Property” means all domestic and foreign: patents, patent applications, Trademarks, copyrights, copyright registrations and applications for registration thereof, Internet domain names and universal resource locators (“URLs”), trade secrets, inventions (whether or not patentable or reduced to practice), invention disclosures, moral and economic rights of authors and inventors (however denominated), technical data, formulations, recipes, quality control parameters and procedures, Customer Lists, corporate and business names, trade names, trade dress, brand names, know-how, maskworks, formulae, methods (whether or not patentable or reduced to practice), designs, processes, procedures, technology, source codes, object codes, computer software programs, databases, data collectors and other proprietary information or material of any type, whether written or unwritten (and all good will associated with, and all derivatives, improvements and refinements of, any of the foregoing) and all Documents that record, embody, include or refer to them.

“Inventory” has the meaning assigned to such term in Section 1.2(a).

“Legal Requirement” means any law, common law, statute, rule, ordinance, consent or other decree, regulation, requirement, standard (including any clean-up standard), order (including any executive, judicial or administrative order) or judgment of any Authority, as enacted, established, published or applied, and any judicial or administrative interpretation thereof, including (i) the terms of any Government License, (ii) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, (iii) the Resource Conservation and Recovery Act of 1976, as amended, and (iv) the Toxic Substance Control Act of 1976 as amended.

“License Agreements” means agreements pursuant to which rights to make, use or sell Intellectual Property is licensed to or by Seller, or any of its Affiliates, including any software, any technology, any trade names or any combinations of Intellectual Property.

“Liens” means liens, security interests, options, rights of first refusal, claims, easements, mortgages, charges, indentures, licenses to third parties, leases to third parties, security agreements, or any other encumbrances and other restrictions or limitations on use of personal property or irregularities in title thereto.

“Material Adverse Effect” shall mean, with respect to the Business, any materially adverse change or effect on the Purchased Assets, Assumed Liabilities, operations or results of operations or condition (financial or otherwise) or prospects of the Business, excluding therefrom (i) general economic

and financial conditions and events which affect the industry in which the Business is conducted and (ii) any effect on the Business of Seller due to an adverse reaction from customers of the Business as a result of the contemplated Transactions.

“Material Contracts” has the meaning assigned to such term in Section 4.5.

“Open Orders” means orders for Products placed with Seller, but not shipped on or before the Closing Date, including unshipped portions of orders on which partial shipments have been made prior to the Closing Date.

“Permits and Licenses” has the meaning assigned to such term in Section 1.2(e).

“Permitted Liens” shall mean Liens on Personal Property that do not materially detract from the value of, or impair the use of, such Personal Property by Seller and which shall be released in the ordinary course of business prior to the Closing Date.

“Person” means an individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, association, trust or other entity or organization, including Governmental Authority.

“Personal Property” has the meaning assigned to such term in Section 1.3(h).

“Preliminary Purchase Price” has the meaning assigned to such term in Section 2.9(a).

“Purchase Price” has the meaning assigned to such term in Section 2.1.

“Purchase Price Escrow” has the meaning assigned to such term in Section 2.3(b).

“Purchased Assets” has the meaning assigned to such term in Section 1.2.

“Products” means all products developed, produced and sold or offered for sale by Seller within the five years preceeding the Closing date based upon or utilizing the Intellectual Property, including those products identified on Appendix B.

“Regulations” means the Treasury Regulations (including Temporary Regulations) promulgated by the United States Department of Treasury with respect to the Code or other federal tax statutes.

“Related Agreements” means the agreements listed on Appendix C when in their final form identified as the “Consulting Agreement”, the “Non-Competition, Non-Solicitation and Confidentially Agreement”, the “Tolling and Support Agreement”, the “Commission Agreement”, the “Escrow Agreement for Working Capital Escrow”, and the “Escrow Agreement for Purchase Price Escrow”.

“Representatives” of a Person means the directors, officers, employees, advisors, agents, stockholders, consultants, accountants, investment bankers or other representatives of such Person.

“Required Consents” has the meaning assigned to such term in Section 4.2(a).

“Revenues” means total sales of Products of Seller for the period referenced, when determined in accordance with GAAP, consistently applied, not including discounts, returns and allowances, freight, insurance and taxes.

“Schedule of Inventory Value” has the meaning assigned to such term in Section 2.7.

"Scheduled Closing Date" has the meaning assigned to such term in Section 3.1.

"Seller" has the meaning assigned to such term in the Preamble.

"Submission Date" has the meaning assigned to such term in Section 11.3.

"Subsidiary" shall mean, with respect to any Person, (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is owned by such Person directly or indirectly through one or more Subsidiaries of such Person and (ii) any partnership, association, joint venture or other entity in which such Person directly or indirectly through one or more Subsidiaries of such Person has more than a 50% equity interest.

"Target Working Capital" has the meaning assigned to such term in Section 2.4(a).

"Taxes" shall mean all taxes, assessments, charges, duties, fees, levies or other governmental charges, including, without limitation, all Federal, state, local, foreign and other income, franchise, profits, gross receipts, capital gains, capital stock, transfer, property, sales, use, value-added, occupation, property, excise, severance, windfall profits, stamp, license, payroll, social security, withholding and other taxes, assessments, charges, duties, fees, levies or other governmental charges of any kind whatsoever (whether payable directly or by withholding and whether or not requiring the filing of a Tax Return), all estimated taxes, deficiency assessments, additions to tax, penalties and interest and shall include any liability for such amounts as a result either of being a member of a combined, consolidated, unitary or affiliated group or of a contractual obligation to indemnify any person or other entity.

"Tax Returns" has the meaning assigned to such term in Section 4.9.

"Termination Date" has the meaning assigned to such term in Section 3.1.

"Third Party Action" has the meaning assigned to such term in Section 9.3(a).

"Threshold Amount" has the meaning assigned to such term in Section 9.4.

"Trademarks" has the meaning assigned to such term in Section 6.9 and further includes and means trade names, corporate and business names, brand names, designs, logos, trademarks, service marks, other indicia of origin, trademark and service mark registrations and applications for registration thereof, and any derivatives thereof including domain names used in connection therewith which incorporate any of the foregoing source identifiers that are used in or by the Business.

"Transactions" has the meaning assigned to such term in Section 3.1.

"Transfer Taxes" has the meaning assigned to such term in Section 10.1.

"WARN Act" has the meaning assigned to such term in Section 1.4(b)(v).

"Warranties" has the meaning assigned to such term in Section 1.2(k).

"Warranty Claims" has the meaning assigned to such term in Section 4.19.

"Working Capital" as of a given date shall mean the amount calculated by subtracting the Assumed Trade Accounts Payable that are included in the Assumed Liabilities as of that date from the

sum of Accounts Receivable less than ninety days outstanding and Inventory not including items and materials that are not currently used in Products and provided further that all Inventory is of good and merchantable quality for use in manufacturing Products.

“Working Capital Escrow” has the meaning assigned to such term in Section 2.3(a).

“Working Capital Maximum” shall be calculated as the amount that is 105% of Target Working Capital

“Working Capital Minimum” shall be calculated as the amount that is 95% of Target Working Capital

Business

Industrial Adhesives, Inc. (the "Seller") is a manufacture and marketer of water-based adhesives for the paper & packaging industry. The Seller's Products are used in the labeling of PET bottles, the lamination of thin sheets of foil, and the conversion of paper stock into products such as plates, cups, envelopes, cartons, and file folders. Below is a sample list and description of the Products:

Product Description

M6-2M	A coating for the top of paper plates to make the plates sturdy. Coating sold exclusively to Hallmark
323	An adhesive used in paper cups
L16-213	An adhesive used in boxes and bags
HM9600	A hot melt adhesive used in glue guns
L16-95-1	A USDA-approved coating used in laminated wax paper between hamburger patties. Product sold exclusively to Formax
HM5000	A hot melt adhesive used in glue guns
CT25-5HS PINK Packaging	An adhesive used in french fry packaging. Product sold exclusively to Paris
6JEC104-12	An adhesive for no-odor foil laminating
HM4218	A hot melt adhesive used in glue guns
JEC147-1M	An adhesive used to glue paper bag seams

A complete list of Seller's Products will be delivered to Buyer at or before the Closing.

Related Agreements and Documents of Conveyance

<u>Exhibit</u>	<u>Agreement/Document</u>
Exhibit A	Form of Bill of Sale, Assignment and Assumption Agreement
Exhibit B	Form of Consulting Agreement
Exhibit C	Form of Accounts Receivable Assignments
Exhibit D	Form of Trademark Assignments
Exhibit D-1	Form of Patent Assignment
Exhibit E	Form of Non-Competition, Non-Solicitation and Confidentially Agreement
Exhibit F	Form of Tolling and Support Agreement
Exhibit G	Form of Commission Agreement
Exhibit H	Form of Escrow Agreement for Working Capital Escrow
Exhibit I	Form of Escrow Agreement for Purchase Price Escrow

Schedule 1.2(c)(i)

The Transaction, Purchased Assets: Contracts with Customers

The following schedule discloses a listing of all contracts relating to the conduct of business between the Seller and customers.

Sales contracts:

There are three verbal commitments to keep inventory on hand for customers:

For Formax, the business must keep two totes of L1695-1 available at all times.

For Star Packaging, the business must keep fifty five-gallon pails of 6JAC112-8 available at all times.

For C.J. Bowman, the business must keep twenty-four five-gallon pails of F2-19-5 available at all times.

Seller fills orders from customers as they are received. A Schedule of Open Orders shall be delivered to Buyer three (3) days prior to the Closing Date and updated as of the Closing.

Schedule 1.2(c)(ii)

The Transaction, Purchased Assets: Contracts with Vendors

The following schedule discloses a listing of all contracts relating to the conduct of business between the Seller and vendors.

Purchase contracts:

All transactions between Seller and its vendors are verbal and none is for scheduled delivery greater than thirty days.

Schedule 1.2(c)(iii)

The Transaction, Purchased Assets: Contracts with Other Entities

The following schedule discloses a listing of all contracts relating to the conduct of business between the Seller and all other entities.

Other contracts:

Not Applicable

Schedule 1.2 (e)

The Transaction, Purchased Assets: Permits and Licenses

The following schedule discloses a listing of all material Permits and Licenses issued to the Seller that are necessary for the conduct of Business.

Permits and Licenses:

Business License for the City of Chicago.

A copy of each Permit and License has been provided to Buyer.

Schedule 1.3(g)

The Transaction, Excluded Assets: Excluded Contracts

The following schedule discloses a listing of all contracts that the Seller will retain and not transfer or sell to the Buyer.

Excluded contracts:

The verbal month-to-month agreement between the Manuel Belbis and the Seller for the rental of the Facility is excluded from the sale. See *Schedule 4.16*.

Schedule 1.3(h)

The Transaction, Excluded Assets: Personal Property

The following schedule discloses a listing of all personal property that the Seller will retain and not transfer or sell to the Buyer.

Land, building and improvements:

All real property is excluded from the sale.

Owned and leased machinery:

All machinery is excluded from the sale.

Office equipment:

All equipment is excluded from the sale.

Laboratory equipment

All laboratory equipment is excluded from the sale.

Other miscellaneous items:

All Personal Property is excluded from the sale.

Schedule 2.6

Consideration for Transfer: Accounts Receivable

Attached is a schedule of all Accounts Receivable as of the date of the agreement for the purchase and sale of assets.

Industrial Adhesives Company
Open Invoices
As of August 8, 2007

Type	Date	Num	P. O. #	Terms	Due Date	Aging	Open Balance
WISCONSIN BENCH Invoice	7/16/2007	32293	217571	Net 30	8/15/2007		2,080.00
Total WISCONSIN BENCH							2,080.00
ZIMMERMAN WOODWORKING Invoice	7/23/2007	32307	E. ZIMMERMAN	Net 30	8/22/2007		2,086.50
Total ZIMMERMAN WOODWORKING							2,086.50
TOTAL							296,703.58

Industrial Adhesives Company
Open Invoices
As of August 8, 2007

Type	Date	Num	P. O. #	Terms	Due Date	Aging	Open Balance
REPRO GRAPHICS							
Invoice	7/28/2006	31801	JOHN TEMPLE	Net 30	8/27/2006	346	1,125.76
Total REPRO GRAPHICS							1,125.76
ROYAL CHEMICAL COMPANY							
Invoice	8/4/2006	31722	61728	Net 30	9/13/2006	329	1,016.06
Total ROYAL CHEMICAL COMPANY							1,016.06
SIERRA CORPORATION							
Invoice	6/19/2007	32228	47070	Net 30	7/19/2007	20	288.48
Total SIERRA CORPORATION							288.48
SPECIALTY PROMOTIONS, INC.							
Invoice	6/9/2004	30082	2186	Net 30	7/9/2004	1125	2,811.85
Invoice	1/17/2006	31316	1s2506	Net 30	2/16/2006	538	2,817.09
Invoice	7/10/2007	32282	MP3161	Net 30	8/9/2007		6,035.12
Invoice	7/31/2007	32323	MP3170	Net 30	8/30/2007		6,343.27
Total SPECIALTY PROMOTIONS, INC.							18,007.33
STAR PACKAGING SUPPLIES CO. - SPRECHER							
Invoice	7/13/2007	32286	33800	Net 30	8/12/2007		616.92
Invoice	7/17/2007	32303	33800	Net 30	8/16/2007		1,769.14
Invoice	8/7/2007	32326	33800	Net 30	9/6/2007		1,234.90
Total STAR PACKAGING SUPPLIES CO. - SPRECHER							3,620.96
SURPLUS CHEMICAL NETWORK							
Invoice	7/13/2007	32285	88	Net 30	8/12/2007		647.50
Total SURPLUS CHEMICAL NETWORK							647.50
SYNERGY GRAPHICS							
Invoice	1/26/2006	31340	18612	Net 30	2/25/2006	529	551.61
Total SYNERGY GRAPHICS							551.61
THE DEATON-KENNEDY COMPANY							
Invoice	7/18/2007	32306	VERBAL	Net 30	8/17/2007		2,100.94
Total THE DEATON-KENNEDY COMPANY							2,100.94
VARIPAK, INC.							
Invoice	7/11/2005	30956	3254	Net 30	8/10/2005	728	7.65
Total VARIPAK, INC.							7.65
WEICK CUSTOM CASES, INC.							
Invoice	8/29/2006	31746	0817706	Net 30	9/28/2006	314	2,037.42
Total WEICK CUSTOM CASES, INC.							2,037.42

Industrial Adhesives Company
Open Invoices
As of August 8, 2007

Type	Date	Num	P. O. #	Terms	Due Date	Agling	Open Balance
MARO CARTON							
Invoice	6/21/2007	32231	238648	Net 30	7/21/2007	18	85.26
Invoice	6/22/2007	32257	238648	Net 30	7/22/2007	17	981.96
Invoice	7/17/2007	32301	238648	Net 30	8/16/2007		1,488.94
Total MARO CARTON							
MAURICE LENELL COOKY COMPANY							
Invoice	4/18/2007	32138	40184	Net 30	5/18/2007	82	1,113.49
Total MAURICE LENELL COOKY COMPANY							
MIDWEST LAMINATING & COATINGS (2)							
Invoice	6/16/2005	30911	MIKE WEBER	Net 30	7/16/2005	753	352.48
Invoice	6/19/2006	31621	MIKE WEBER	Net 30	7/19/2006	385	5.24
Invoice	7/24/2007	32309	MIKE WEBER	Net 30	8/23/2007		3,288.60
Total MIDWEST LAMINATING & COATINGS (2)							
MODERNISTICS							
Invoice	7/30/2007	32316	44649	Net 30	8/29/2007		858.40
Total MODERNISTICS							
MULTICONSUMOS, C.A.							
Invoice	2/22/2006	31345	24592	1% 10 N...	3/4/2006	522	22,587.96
Invoice	11/9/2006	31870	26489	Net 30	12/9/2006	242	29,699.81
Invoice	1/5/2007	31950	26757	Net 30	2/4/2007	185	35.00
Invoice	5/24/2007	32198	27409	Net 30	6/23/2007	46	29,589.90
Total MULTICONSUMOS, C.A.							
O.S.I. DIV. OF GF OFFICE FURNITURE (1)							
Invoice	7/31/2007	32320	24333	Net 30	8/30/2007		500.00
Total O.S.I. DIV. OF GF OFFICE FURNITURE (1)							
PARIS PACKAGING - ALABAMA							
Invoice	5/22/2007	32202	7200	Net 30	6/21/2007	48	1,905.15
Invoice	6/14/2007	32246	7244	Net 30	7/14/2007	25	1,494.31
Invoice	7/12/2007	32284	Perry Bailey	Net 30	8/11/2007		1,899.88
Invoice	7/31/2007	32319	7378	Net 30	8/30/2007		2,794.84
Total PARIS PACKAGING - ALABAMA							
PASTORELLI FOOD PRODUCTS, INC.							
Invoice	6/7/2007	32219	NDE	Net 30	7/7/2007	32	888.00
Total PASTORELLI FOOD PRODUCTS, INC.							
PLANET INC.							
Invoice	11/27/2006	31912	98305	Net 30	12/27/2006	224	1,420.04
Total PLANET INC.							

Industrial Adhesives Company
Open Invoices
As of August 8, 2007

Type	Date	Num	P. O. #	Terms	Due Date	Aging	Open Balance
LAKE COUNTY PRESS, INC.							
Invoice	5/31/2007	32205	85700 & 85505	Net 30	6/30/2007	39	704.98
Invoice	7/16/2007	32305	86692	Net 30	8/15/2007		480.50
Invoice	7/27/2007	32300	86812	Net 30	8/26/2007		3,737.94
Total LAKE COUNTY PRESS, INC. 4,933.42							
LAKE SHORE DISPLAY, INC.							
Invoice	7/3/2007	32273	60240	Net 30	8/2/2007	6	555.96
Total LAKE SHORE DISPLAY, INC. 555.96							
LIBERTY ENTERPRISES, INC.							
Invoice	6/19/2007	32227	208814	Net 30	7/19/2007	20	326.84
Total LIBERTY ENTERPRISES, INC. 326.84							
MAILERS COMPANY							
Invoice	7/2/2007	32272	062907	Net 30	8/1/2007	7	1,289.88
Total MAILERS COMPANY 1,289.88							
MANUFACTURER'S WAREHOUSE SUPPLY							
Invoice	1/25/2006	31338	VERBALPAT	Net 30	2/24/2006	530	27.14
Total MANUFACTURER'S WAREHOUSE SUPPLY 27.14							
MANUFACTURERS WAREHOUSE SUPPLY(2)							
Invoice	5/7/2007	32173	VERBALPAT	Net 30	6/6/2007	63	603.23
Invoice	5/10/2007	32214	VERBALPAT	Net 30	6/9/2007	60	393.21
Total MANUFACTURERS WAREHOUSE SUPPLY(2) 996.44							
MARCAL PAPER MILLS, INC.							
Invoice	12/9/2005	31300	48120	Net 30	1/7/2006	578	250.00
Invoice	9/27/2006	31810	48803	Net 30	10/27/2006	285	1,092.25
Invoice	10/2/2006	31843	49348	Net 30	11/1/2006	280	1,507.50
Invoice	10/9/2006	31831	49348	Net 30	11/8/2006	273	2,368.57
Invoice	10/13/2006	31839	48603 & 49425	Net 30	11/12/2006	269	1,601.19
Invoice	10/27/2006	31877	48491	Net 30	11/26/2006	255	1,092.25
Invoice	11/13/2006	31898	49436	Net 30	12/13/2006	238	2,261.25
Invoice	1/9/2007	31951	495750	ADVANCE	1/9/2007	211	3,015.00
Invoice	12/20/2006	31966	495867	Net 30	1/19/2007	201	1,080.56
Invoice	2/8/2007	32018	495857	ADVANCE	2/8/2007	181	1,156.89
Invoice	2/21/2007	32038	495964	ADVANCE	2/21/2007	168	2,340.12
Invoice	6/26/2007	32267	10557	ADVANCE	6/26/2007	43	2,465.00
Invoice	8/6/2007	32327	10646	ADVANCE	8/6/2007	2	4,137.06
Total MARCAL PAPER MILLS, INC. 24,957.44							

Industrial Adhesives Company
Open Invoices
As of August 8, 2007

Type	Date	Num	P. O. #	Terms	Due Date	Aging	Open Balance
FINISHING PLUS, INC.							
Invoice	5/24/2007	32291	22222	Net 30	6/23/2007	46	331.11
Invoice	7/26/2007	32313	22315	Net 30	8/25/2007		330.96
Total FINISHING PLUS, INC.							
FIORE QUALITY FURNITURE, INC.							
Invoice	6/29/2007	32258	ROSIE	C.O.D.	6/29/2007	40	409.40
Total FIORE QUALITY FURNITURE, INC.							
FISCHER PAPER PRODUCTS							
Invoice	5/10/2007	32181	2924	1% 10 N...	6/9/2007	60	327.99
Total FISCHER PAPER PRODUCTS							
FORMAX, INC.							
Invoice	7/6/2007	32280	M92412	Net 30	8/5/2007	3	3,320.09
Invoice	7/19/2007	32295	77395	Net 30	8/18/2007		3,758.30
Total FORMAX, INC.							
GENERAL PACKAGING PRODUCTS							
Invoice	7/31/2007	32322	38859	Net 30	8/30/2007		5,700.38
Total GENERAL PACKAGING PRODUCTS							
GRAPHPAK, INC.							
Invoice	6/15/2007	32244	024542	Net 30	7/15/2007	24	2,429.76
Invoice	6/25/2007	32256	024542	Net 30	7/25/2007	14	1,691.75
Invoice	7/11/2007	32287	024542	Net 30	8/10/2007		934.72
Total GRAPHPAK, INC.							
HALLMARK CARDS, INC. - LEAVENWORTH							
Invoice	7/10/2007	32289	EP317021	Net 30	8/9/2007		538.62
Invoice	7/10/2007	32290	3359408	Net 30	8/9/2007		24,773.38
Invoice	7/16/2007	32292	3359154	Net 30	8/15/2007		23,329.63
Total HALLMARK CARDS, INC. - LEAVENWORTH							
HAMILTON PAPER BOX CO.							
Invoice	7/6/2007	32278	16703	Net 30	8/5/2007	3	278.94
Invoice	7/17/2007	32294	BILL TOBIN	Net 30	8/16/2007		721.00
Total HAMILTON PAPER BOX CO.							
HARLEN CORPORATION							
Invoice	5/31/2007	32207	VERBAL/SYDNEY	Net 30	6/30/2007	39	427.63
Total HARLEN CORPORATION							
JOHNSON & QUIN, INC.							
Invoice	7/19/2007	32297	36912	Net 30	8/18/2007		2,292.00
Total JOHNSON & QUIN, INC.							

Industrial Adhesives Company
Open Invoices
As of August 8, 2007

Type	Date	Num	P. O. #	Terms	Due Date	Aging	Open Balance
BROWN PAPER GOODS COMPANY							
Invoice	6/4/2007	32218	47910	Net 30	7/4/2007	35	2,059.70
Invoice	7/9/2007	32281	48098	Net 30	8/8/2007		1,125.39
Invoice	7/16/2007	32304	48180	Net 30	8/15/2007		1,548.00
Total BROWN PAPER GOODS COMPANY							
BUSINESS FORMS FINISHING SERVICE							
Invoice	8/29/2006	31748	VERBALRAY	Net 30	9/27/2006	315	250.00
Invoice	11/8/2006	31873	VERBALRAY	Net 30	12/8/2006	243	250.00
Invoice	4/24/2007	32154	VERBALRAY	Net 30	5/24/2007	76	250.00
Total BUSINESS FORMS FINISHING SERVICE							
CITGO PETROLEUM CORPORATION							
Invoice	7/27/2007	32317	4504622282	Net 30	8/26/2007		7,980.00
Total CITGO PETROLEUM CORPORATION							
CLOVERNOOK CENTER FOR THE BLIND							
Invoice	7/19/2007	32296	1961	Net 30	8/18/2007		402.60
Total CLOVERNOOK CENTER FOR THE BLIND							
CUMMINS BUSINESS SERVICES (1)							
Invoice	12/20/2006	32117	45000927/Rel. 5	Net 30	1/19/2007	201	513.00
Invoice	7/31/2007	32321	45000927 R.10	Net 30	8/30/2007		487.35
Total CUMMINS BUSINESS SERVICES (1)							
CUSTOM-PAK ADHESIVES, INC. - EJ							
Invoice	4/27/2007	32158	1379	Net 30	5/27/2007	73	562.24
Invoice	6/27/2007	32269	1491	Net 30	7/27/2007	12	557.76
Total CUSTOM-PAK ADHESIVES, INC. - EJ							
CYGNUS CORPORATION							
Invoice	6/20/2007	32235	MARILOU	Net 30	7/20/2007	19	3,267.00
Invoice	6/26/2007	32268	109456	Net 30	7/26/2007	13	2,193.10
Invoice	7/25/2007	32312	111358	Net 30	8/24/2007		181.50
Invoice	7/27/2007	32318	111268	Net 30	8/26/2007		4,362.58
Total CYGNUS CORPORATION							
DAMRON CORPORATION							
Invoice	3/2/2007	32057	RED4265	Net 30	4/1/2007	129	250.90
Total DAMRON CORPORATION							
F & F FOODS, INC.							
Invoice	6/26/2007	32266	13925	Net 30	7/26/2007	13	582.35
Total F & F FOODS, INC.							

Industrial Adhesives Company
Open Invoices
As of August 8, 2007

Type	Date	Num	P. O. #	Terms	Due Date	Aging	Open Balance
A.M.G. LAMINATING							
Invoice	7/30/2007	32315	VERBAL/GARY	Net 30	8/29/2007		1,989.68
Total A.M.G. LAMINATING							
A.W.T. WORLD TRADE, INC.							
Invoice	11/30/2006	31927	36926-P	Net 30	12/30/2006	221	2,060.50
Invoice	7/3/2007	32275	39365-P	Net 30	8/2/2007	6	300.00
Total A.W.T. WORLD TRADE, INC.							
ADHESIVE SYSTEMS, INC.							
Invoice	4/28/2007	32147		Net 30	5/26/2007	74	770.00
Invoice	6/27/2007	32270	14166	Net 30	7/27/2007	12	776.16
Invoice	6/29/2007	32261	14183	Net 30	7/29/2007	10	433.07
Total ADHESIVE SYSTEMS, INC.							
ASSEMBLERS, INC.							
Invoice	3/26/2007	32091	TONY MALTESE	Net 30	4/25/2007	105	2,467.50
Invoice	6/1/2007	32217	MIKE WEBER	Net 30	7/1/2007	38	2,467.50
Invoice	7/9/2007	32279	2007-782	Net 30	8/8/2007		4,032.00
Invoice	7/25/2007	32311	20007-176	Net 30	8/24/2007		4,935.00
Total ASSEMBLERS, INC.							
ASSOCIATED BRANDS							
Invoice	6/14/2007	32226	TANYA	Net 30	7/14/2007	25	156.84
Total ASSOCIATED BRANDS							
AWT WORLD TRADE, INC.							
Invoice	4/25/2006	31527	34963-P	Net 30	5/25/2006	440	600.30
Total AWT WORLD TRADE, INC.							
BAUMANN INDUSTRIES							
Invoice	5/1/2007	32170	050107-1	Net 30	5/31/2007	69	980.49
Invoice	5/24/2007	32200	052207-1	Net 30	6/23/2007	46	979.62
Invoice	7/17/2007	32302	020489	Net 30	8/16/2007		972.66
Total BAUMANN INDUSTRIES							
BLUE SKY							
Invoice	3/21/2005	30721	JEFF	Net 30	4/20/2005	840	2,303.18
Invoice	3/6/2006	31420	14-030206	Net 30	4/5/2006	490	1,000.00
Invoice	7/14/2006	31683	VERBAL/JEFF	C.O.D.	7/14/2006	390	2,742.56
Total BLUE SKY							
BOSTON LEATHER, INC.							
Invoice	7/23/2007	32308	5009	Net 30	8/22/2007		1,271.20
Total BOSTON LEATHER, INC.							

Schedule 2.8

Consideration for Transfer: Accounts Payable

Attached is a schedule of all Accounts Payable as of the date of the agreement for the purchase and sale of assets.

Industrial Adhesives Company
Unpaid Bills Detail
As of August 10, 2007

11:00 AM
 08/10/07

Type	Date	Num	Due Date	Aging	Open Balance
Accountax Bill	8/1/2007	August	8/31/2007		585.00
Total Accountax					
Acid Products Co., Inc. Bill	6/7/2007	71486	7/7/2007	34	2,780.00
Bill	7/24/2007	72852	8/23/2007		2,459.60
Total Acid Products Co., Inc.					
Aetna Bill	7/13/2007		7/13/2007	28	9.03
Total Aetna					
Alco Chemical Bill	8/9/2007	PO# 1...	8/9/2007	1	382.50
Total Alco Chemical					
American Express Bill	5/25/2007		5/25/2007	77	2,500.00
Total American Express					
AT & T Bill	8/8/2007	02072...	8/18/2007		716.50
Total AT & T					
Avaya Financial Services Bill	7/18/2007	X8380...	8/12/2007		651.66
Total Avaya Financial Services					
City of Chicago Bill	8/1/2007	07845...	9/15/2007		820.00
Total City of Chicago					
Dedicated Logistics Bill	6/1/2007	01268...	6/1/2007	70	201.88
Bill	7/1/2007	01277...	7/1/2007	40	200.00
Bill	7/31/2007	01283...	7/31/2007	10	45.46
Bill	7/31/2007	01281...	7/31/2007	10	71.15
Bill	8/1/2007	01286...	8/1/2007	9	200.00
Total Dedicated Logistics					
DSN Express Bill	7/20/2007	04352...	8/19/2007		446.35
Total DSN Express					

Industrial Adhesives Company
Unpaid Bills Detail
As of August 10, 2007

Type	Date	Num	Due Date	Aging	Open Balance
Federal Express					
Bill	7/21/2007	13670...	7/31/2007	10	559.60
Total Federal Express					559.60
Flood Bros.					
Bill	6/20/2007	12098...	6/30/2007	41	146.00
Bill	6/20/2007	12043...	6/30/2007	41	15.33
Bill	7/15/2007	01-00...	8/4/2007	6	332.93
Total Flood Bros.					494.26
Ford Credit					
Bill	8/9/2007	04258...	8/9/2007	1	1,284.43
Total Ford Credit					1,284.43
Great-West					
Bill	8/8/2007	04885...	8/18/2007		141.24
Total Great-West					141.24
Greif, Inc.					
Bill	8/1/2007	20730...	8/31/2007		2,467.32
Total Greif, Inc.					2,467.32
Interstate Chemical Company					
Bill	5/2/2007	B/L 8...	5/2/2007	100	2,410.00
Total Interstate Chemical Company					2,410.00
Jabco Products					
Bill	8/7/2007	July 2...	8/7/2007	3	6,466.23
Total Jabco Products					6,466.23
Jevic					
Bill	7/25/2007	18462...	8/24/2007		471.13
Total Jevic					471.13
Kingsway Logistics, Inc.					
Bill	6/14/2007	579086	7/14/2007	27	169.22
Bill	7/11/2007	580939	8/10/2007		166.44
Bill	7/23/2007	581602	8/22/2007		81.69
Bill	7/25/2007	581826	8/24/2007		36.75
Bill	7/31/2007	582257	8/30/2007		127.58
Bill	7/31/2007	582258	8/30/2007		168.00
Total Kingsway Logistics, Inc.					749.68
Liberty Mutual Insurance Group					
Bill	8/2/2007	10026...	8/22/2007		933.00
Total Liberty Mutual Insurance Group					933.00

Industrial Adhesives Company
Unpaid Bills Detail
 As of August 10, 2007

11:00 AM
 08/10/07

Type	Date	Num	Due Date	Aging	Open Balance
Map Transportation					
Bill	7/5/2007	074643	8/4/2007	6	53.10
Bill	7/23/2007	075239	8/22/2007		77.35
Total Map Transportation					130.45
Meyer Steel Drum, Inc.					
Bill	6/28/2007	155283	7/28/2007	13	1,977.91
Total Meyer Steel Drum, Inc.					1,977.91
Office Depot					
Bill	8/9/2007	60115...	8/9/2007	1	1,326.23
Total Office Depot					1,326.23
Old Dominion Freight Line					
Bill	4/19/2007	22045...	5/4/2007	98	241.08
Bill	5/29/2007	52077...	6/13/2007	58	272.71
Bill	5/29/2007	52097...	6/13/2007	58	1,178.53
Total Old Dominion Freight Line					1,692.32
Pallet Maxx					
Bill	8/2/2007	81838	8/12/2007		950.00
Total Pallet Maxx					950.00
Park National Bank					
Bill	7/16/2007	AB5925	8/15/2007		70.00
Total Park National Bank					70.00
PBCC					
Bill	6/13/2007	34456...	6/13/2007	58	29.00
Total PBCC					29.00
Peoples Energy					
Bill	4/24/2007	15000...	5/1/2007	101	2,000.00
Bill	8/6/2007	1 500...	8/21/2007		1,464.05
Total Peoples Energy					3,464.05
Peoples Energy Services Corp.					
Bill	7/17/2007	76547...	7/27/2007	14	1,889.04
Total Peoples Energy Services Corp.					1,889.04
Pitney Bowes Purchase Power					
Bill	8/10/2007	17343...	8/5/2007	5	16.87
Total Pitney Bowes Purchase Power					16.87
Scott Lift Truck Corporation					
Bill	7/25/2007	01R2...	8/4/2007	6	288.00
Total Scott Lift Truck Corporation					288.00

Industrial Adhesives Company
Unpaid Bills Detail
As of August 10, 2007

11:00 AM
 08/10/07

Type	Date	Num	Due Date	Aging	Open Balance
T.H. Hilson Bill	5/31/2007	70506...	6/30/2007	41	3,250.84
Total T.H. Hilson					<u>3,250.84</u>
The On Time Courier Bill	7/30/2007	72789	7/30/2007	11	219.34
Total The On Time Courier					<u>219.34</u>
Ulline Bill	6/27/2007	18503...	6/27/2007	44	176.59
Total Ulline					<u>176.59</u>
Waste Management IL Bill	8/1/2007	06808...	8/31/2007		621.23
Total Waste Management IL					<u>621.23</u>
Western Adhesives, Inc. Bill	3/28/2007		4/27/2007	105	5,051.91
Bill	7/3/2007	79275	8/2/2007	8	5,256.00
Total Western Adhesives, Inc.					<u>10,307.91</u>
TOTAL					<u><u>54,455.80</u></u>

Schedule 4.2

Representations and Warranties of Seller, Validity, Consents and Approvals: Required Consents

None.

Schedule 4.6

Representations and Warranties of Seller, Legal Proceedings

No exceptions.

Schedule 4.7

Representations and Warranties of Seller, Compliance with Law

No exceptions.

Schedule 4.9(c)

Representations and Warranties of Seller, Taxes

No exceptions.

Schedule 4.10

Representations and Warranties of Seller, Employees

No exceptions.

Schedule 4.12(a)

**Representations and Warranties of Seller, Intellectual Property - Patents,
Trademarks, Copyrights**

The following schedule discloses a listing of all patents, trademarks, copyrights, and other intellectual property that the Seller will transfer to the Buyer at the Closing.

Patents:

US Patent Application Number 20050230459 for envelope adhesive with flavors and scents to Manuel Belbis and Gregory L Johnson.

Trademarks:

"IAC" and logo - US Trademark Registration Number 2,334,411.

"Bond-Plus" - US Trademark Registration Number 1,094,852.

"The Bond Power Company" and logo - US Trademark Registration Number 2,356,593.

Each of the foregoing is registered to "Industrial Adhesives Company Corporation Illinois 130 North Campbell Chicago Illinois 60612"

Copyrights:

None.

Other Intellectual Property:

None.

Schedule 4.12(b)

Representations and Warranties of Seller, Intellectual Property - License Agreements

None.

Representations and Warranties of Seller, Intellectual Property - Transfers

No exceptions.

Schedule 4.12(d)

**Representations and Warranties of Seller, Intellectual Property -
Infringements**

No exceptions.

Schedule 4.12(e)

**Representations and Warranties of Seller, Intellectual Property - Transfer
Exceptions**

No exceptions.

Schedule 4.13

Representations and Warranties of Seller, Insurance

The attached schedule discloses a listing of all material Insurance policies held by the Seller which relate to the Business; and all insurance claims pending and for the last three (3) years from the date of the agreement for purchase and sale of assets.

There has been no default and there has been no event, occurrence, condition or act that could become a default under any policy of Seller. No Person has made a claim on Seller and no claims have been pending within the past three years. Seller has received no notice of non-renewal or cancellation, nor disallowance of any claim under any policy or binder, nor has the termination of any policy or binder been threatened.

Insurance claims:

None.

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
09/18/2007

PRODUCER (847)866-7400 FAX (847)864-6901
Heil & Heil Insurance Agcy LLC
1515 Chicago Ave
Evanston, IL 60201

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED Industrial Adhesive Co. Inc.
130 North Campbell Avenue
Chicago, IL 60612

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A:	Federal Insurance	20281
INSURER B:		
INSURER C:		
INSURER D:		
INSURER E:		

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY	35342117	08/22/2007	08/22/2008	EACH OCCURRENCE	\$ 1,000,000
	<input checked="" type="checkbox"/>	COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
	<input type="checkbox"/>	CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ 10,000
						PERSONAL & ADV INJURY	\$ 1,000,000
						GENERAL AGGREGATE	\$ 2,000,000
						GEN'L AGGREGATE LIMIT APPLIES PER:	PRODUCTS - COMP/OP AGG
	<input checked="" type="checkbox"/>	POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					
		AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident)	\$
		<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
		<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
		<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
		<input type="checkbox"/> HIRED AUTOS					
		<input type="checkbox"/> NON-OWNED AUTOS					
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
		<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	\$
						AGG	\$
		EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE	\$
		<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$
		<input type="checkbox"/> DEDUCTIBLE					\$
		<input type="checkbox"/> RETENTION \$					\$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS	OTH-ER
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	\$
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	\$
		OTHER				E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER

CANCELLATION

INSUREDS POLICY

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

EARL STRUM

Schedule 4.14

Representations and Warranties of Seller, Absence of Certain Changes

No exceptions

Schedule 4.15

Representations and Warranties of Seller, Customers and Suppliers

The following schedule discloses a listing of the top ten (10) largest customers during 2006 and the top five (5) largest suppliers during 2006.

Top Ten (10) Customers:

	<u>2006 Sales</u>	<u>2007 Sales*</u>
1. Hallmark Cards, Inc.	\$ 365,192	\$ 229,550
2. Multiconsumos, C.A. (Venezuela)	\$ 208,065	\$ 59,457
3. Assemblers, Inc.	\$ 109,714	\$ 57,980
4. Midwest Laminating and Coatings	\$ 109,209	\$ 23,014
5. Konie Cups International, Inc.	\$ 99,513	\$ 51,914
6. Formax, Inc.	\$ 67,521	\$ 41,023
7. Paris Packaging	\$ 65,596	\$ 44,917
8. Brown Paper Goods Company	\$ 58,193	\$ 34,838
9. Marcal Paper Mills, Inc.	\$ 56,727	\$ 55,003
10. Graphpak, Inc.	\$ 47,476	\$ 21,599
	<u>\$ 1,187,206</u>	<u>\$ 389,745</u>

Top Five (5) Suppliers:

	<u>2006 Purchases</u>	<u>2007 Purchases*</u>
1. Celenese	\$ 233,558	\$ 165,204
2. Forbo Adhesives, LLC	\$ 135,480	\$ 112,314
3. GMZ, Inc.	\$ 44,787	\$ 25,297
4. Noveon, Inc. (Lubrizol)	\$ 29,440	\$ 123,141
5. Emerald Kalama	\$ 39,250	\$ 38,600
6. Perry Chemical	\$ 37,705	\$ 11,250
	<u>\$ 520,220</u>	<u>\$ 475,806</u>

*Through July 31, 2007

Schedule 4.16

Representations and Warranties of Seller, Transactions with Affiliates

The following schedule discloses a listing of all Affiliates with a financial interest or holding an officer position in the business and all transactions with Affiliates.

Affiliates:

Manuel Belbis is the sole stockholder of Industrial Adhesives, Inc.

Transactions:

Manuel Belbis receives lease payments from the Seller. This is a verbal month-to-month agreement committing the Seller to pay \$2,500.00 each month for the rental of the Facility. All payments are current.

No other exceptions.

Schedule 4.17

Representations and Warranties of Seller, Accounts Receivable

No exceptions.

Schedule 4.18

Representations and Warranties of Seller, Inventory

No exceptions.

Schedule 4.19

Representations and Warranties of Seller, Warranty Claims

No exceptions.

**DRAFT
EXHIBIT A**

BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that pursuant to an Asset Purchase Agreement dated as of _____, 2007 (the "Asset Purchase Agreement"), by and between Industrial Adhesive, Inc., an Illinois corporation having its offices at 130 N. Campbell Ave., Chicago, Illinois 60612 (the "Seller"), and Royal Adhesives and Sealants, LLC, a Delaware limited liability company having an address at 2001 W. Washington Street, South Bend, Indiana 46628 (the "Buyer"), Seller, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do, and each of them does hereby grant, bargain, sell, assign, convey, transfer, deliver and set over unto Buyer and its successors and assigns, all right, title and interest of Seller in and to the following Assets owned and used by Seller in the business of producing certain EVA, PVA, SBR and acrylic adhesive products for sale and use by other manufacturers (such line of business herein referred to as the "Business"):

All right, title and interest of the Seller in and to the following items of tangible and intangible personal property of the Seller identified in Schedule A attached hereto (the "Purchased Assets"), including:

a. all Sellers' right title and interest in the Intellectual Property as described and defined in the Asset Purchase Agreement, consisting of technical information, patents and patent applications, if any, and all other trade secrets, research and development records and lab books, research results, know-how, make-up formulas, formulations (including intermediates and components), processes, recipes, test procedures and parameters, raw material specifications, performance and process specifications, packaging specifications, labeling text, information, masks and parameters, historical performance, test result records and reports, software, patterns and proprietary and intellectual property rights and information of Seller used to manufacture, use, package, ship and sell chemical based adhesives and coatings intended or suitable for industrial applications including in particular the Business, as now comprised or as contemplated to be comprised and all Documents that record, embody, include or refer to them; and,

b. all of the Seller's promotional materials which includes all Documents used to describe or promote the Business consisting of, technical data sheets, material safety data sheets, brochures, catalogues, photographic representations of products, web designs and content, presentation materials, product descriptions, instructions for use for each product in the Business, the telephone numbers and web addresses used by customers to inquire about or order Business products and all Documents that record, embody, include or refer to them; and,

c. all of the Seller's Trademarks which includes all of the registered and unregistered U.S. and foreign service marks, trade names, trade styles, logotypes, and product names and designations domain names and URLs used in connection with the Business and the goodwill connected therewith and symbolized thereby, for use in the manufacture, use, packaging, promotion, shipping and sale of the Business as now comprised or as contemplated to be comprised and all Documents that record, embody, include or refer to them, as set forth on Schedule B of this Bill of Sale, Assignment and Assumption Agreement; and,

d. all of the Seller's Customer Lists, which includes all lists, databases or other compilations of past, current and prospective customers including contact information; bid sheets, price history, cost information and cost basis for each element of the Business and contract information, and all lists or compilations of the suppliers and the vendors to the Business, together with vendor contact information, material and package specifications, price and evaluation parameters of the Business as now comprised or as contemplated to be comprised and all Documents that record, embody, include or refer to them; and,

e. all raw materials, work-in-process, finished goods, goods-in-transit, supplies, containers and reusable totes, packaging materials, samples and any prepaid deposits for any of the same and other inventories primarily used in or specifically held for use by Seller or its Affiliates or otherwise material in the conduct of the Business, wherever located (the "Inventory") including specifically the items identified on Schedule C of this Bill of Sale, Assignment and Assumption Agreement; and,

f. all of the Sellers' right, title and interest in and to the Assumed Contracts, including but not limited to the Assumed Contracts identified and summarized on Schedule D of this Bill of Sale, Assignment and Assumption Agreement; and,.

TO HAVE AND TO HOLD, the right, title and interest in and to the Purchased Assets hereby granted, bargained, sold, assigned, conveyed, transferred, delivered and set over unto the Buyer, its successors and assigns, for its own use and benefit forever,

AND Seller covenants and agrees to warrant and to defend the sale of the Purchased Assets against all and every Person or Persons claiming through or under Seller. Seller further covenants and agrees that it will at any time and from time to time after the date of this Bill of Sale, upon the request of the Buyer, execute, acknowledge, deliver and perform, or cause to be executed, delivered, or performed, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be necessary for the full vesting and confirming unto the Buyer of the title to and possession of any and all of the Purchased Assets, properties and rights acquired by the Buyer from the Seller hereunder.

Seller owns outright and has good, marketable and valid title to all the Purchased Assets and interests in Purchased Assets, tangible and intangible, that are used in the Business and described herein; all these Purchased Assets are free and clear of all restrictions on or conditions to transfer or assignment, and are free and clear of liens, pledges, charges, encumbrances, equities, claims and security interests.

The Seller does hereby constitute and appoint the Buyer as the Seller's true and lawful attorney with full power of substitution for it and in its name, place and stead or otherwise, but on behalf of and for the benefit of the Buyer, to demand and receive from time to time any and all assets, properties and rights, whether real, personal and mixed, tangible and intangible, which are hereby bargained, sold, transferred, assigned and conveyed, and to give receipts and releases for and in respect of the same, and any part thereof, and from time to time to institute and prosecute in the name of the Seller or otherwise, at the Seller's expense and for the benefit of the Buyer, any and all proceedings at law, in equity or otherwise that the Buyer may deem proper in order to collect, assert or enforce any claims, rights or title of any kind in and to the assets, properties, rights and privileges which are hereby bargained, sold, transferred, assigned and conveyed, and to defend and compromise any and all such actions, suits or proceedings in respect of any said property, assets, rights and privileges and, generally, to do any and all such acts and things in relation thereto as the Buyer shall deem advisable. The Seller hereby declares that the appointment hereby made and the powers hereby granted are coupled with an interest and are, and shall be, irrevocable by the Seller in any manner or for any reason, provided that nothing herein contained shall be deemed to enlarge the rights given to Buyer under the Asset Purchase Agreement.

The warranties and covenants pertaining to title contained in Section 4.4 of the Asset Purchase Agreement shall survive this Bill of Sale, Assignment and Assumption Agreement to the extent set forth in the Asset Purchase Agreement and become a part hereof and shall continue in full force and effect as though herein set forth fully and at length.

Buyer does hereby assume and shall undertake to pay those current (but not past due) trade accounts payable of Seller identified on Schedule E of this Bill of Sale, Assignment and Assumption Agreement provided that such amounts are current and payable within 30 days after the Closing on invoices received for raw materials and packaging that have been received into Inventory or have been shipped by the vendor to Seller as of the Closing Date and which are used primarily in the production of Products as determined and valued using GAAP, including amounts for commissions included in the assigned Accounts Receivable due and payable to Seller's sales representatives upon collection to the extent identified on Schedule E.

The terms, covenants and agreements herein contained shall bind and inure to the benefit of the respective parties hereto and their respective legal representatives, successors and assigns.

Capitalized terms in this Bill of Sale, Assignment and Assumption Agreement not otherwise defined shall have the same meanings as those set forth in the Asset Purchase Agreement.

This Bill of Sale, Assignment and Assumption Agreement is dated for reference as of _____, 2007 and is effective upon delivery to the Buyer upon the Closing of the Asset Purchase Agreement.

_____, 2007

Industrial Adhesive, Inc.

By: _____
Name: Manuel Belbis
Title: President

Accepted and Agreed to:

ROYAL ADHESIVES AND SEALANTS, LLC

By:
Name: Theodore M. Clark
Title: Chief Executive Officer

ASSETS

Intellectual Property

All information, know-how, intellectual property and trade secrets known to or used by Seller to develop, manufacture, process, test, package, use and sell Products, including the products identified on Appendix B of the Asset Purchase Agreement, and including all documents relating to or supporting in any way, the development, production, manufacturing, testing, processing, handling and shipping such materials including patents and patent applications, if any, and all other trade secrets, research and development, research results, know-how, make-up formulas, formulations (including intermediates and components), processes, recipes, test procedures and parameters, raw material specifications, performance and process specifications, packaging specifications, historical performance and test result records, software, patterns and proprietary and intellectual property rights and information of Seller used to manufacture, use and sell the Products as now comprised or as contemplated to be comprised and all documents that record, embody, include or refer to them.

Trademarks

Trademarks include product identification numbers, brand names, designs, service marks, other indicia of origin, trademark and service mark registrations, if any, and including product identifiers as set forth on Schedule 4.12(a) of the Asset Purchase Agreement.

Promotional Materials

1. Documents relating to the Business intended for customers or prospective customers of the Business, including pamphlets, fliers, brochures pertaining to the Sellers, the Business or the Products or any combination of them, and other products manufactured by the Seller including all promotional materials, technical data sheets, material safety data sheets, brochures, catalogues, photographic representations of products, web designs and content, presentation materials, product descriptions, instructions for use for each of the Business or the Products and all documents that record, embody, include or refer to them.
2. Product data sheets regarding certain Products prepared at the request of certain purchasers of Products.

Supplier Lists, telephone numbers, files, papers and other records pertaining thereto

All of the vendor lists, vendor contact information, material and package specifications, price and evaluation parameters of each ingredient or component of the Products and all documents that record, embody, include or refer to them. Supplier and vendor lists and other related information are stored on the Seller's databases located at the Seller's offices in Chicago, Illinois.

Customer Lists, telephone numbers, files, papers and other records pertaining thereto

All of the lists and related information regarding customers and prospective customers, together with contact information, bid sheets, price history, cost information, cost basis and contract information for the

Business and the Products as sold to such customers, as now comprised or as contemplated to be comprised and all documents that record, embody, include or refer to them. Customer lists and other related information are available on Seller's databases located at the Seller's offices in Chicago, Illinois and all other locations.

Assumed Contracts

Assumed Contracts listed on Schedule D. Current information about Assumed Contracts will be delivered at Closing.

**APA APPENDIX B
Products**

Schedule C

Inventory – Schedule of count of usable stock in trade, raw materials, intermediates, work in process, goods in transit and finished goods.

Schedule D

Assumed Contracts as delivered at Closing.

Schedule E

Schedule of Assumed Trade Accounts Payable.

Exhibit B

FORM OF CONSULTING AGREEMENT

Mr. Manuel Belbis, President
Industrial Adhesive, Inc.
130 N. Campbell Ave.
Chicago, Illinois 60612

Re: Consulting Services

Dear Manny,

As part of the acquisition of the adhesives product line, technology and certain other assets of Industrial Adhesive, Inc. ("IAC") by Royal Adhesives and Sealants, LLC ("Royal" or the "Company") under an Asset Purchase Agreement effective as of _____, 2007 (the "APA"), IAC has agreed to provide consulting services to the Company and its Affiliates under the terms of this Letter Agreement. The "Affiliates" of the Company include, by example but without limitation, the parents, subsidiaries, shareholders, partners, joint venturers, and the accountants, attorneys, consultants, employees and advisors of each.

1. Term of Agreement. IAC will provide consulting services to Royal and its Affiliates for a continuous twelve month period commencing _____, 2007 and ending _____, 2008 (the "Initial Term"). After the expiration of the Initial Term, this Letter Agreement may be extended if both IAC and the Company agree. The Initial Term together with any extended term shall be referred to in this Letter Agreement as the "Consulting Period".

2. Consultant, IAC has agreed that Mr. Manuel Belbis will be assigned by IAC to provide all services and perform all duties assigned by the Company under this Letter Agreement (the "Designated Consultant"). IAC understands and agrees that the assignment of Mr. Belbis, and his satisfactory performance of the services and duties under this Letter Agreement is the essential component of our understanding.

3. Duties. The consulting services shall include such duties as are assigned by the Chief Executive Officer of Royal, in his sole discretion, and the Designated Consultant shall devote sufficient energy and attention to the business of Royal in order to satisfactorily perform such duties. Such duties will include, by way of example, sales development and representation of the Company and its products to customers, potential customers and vendors, advising on and assisting with product development and quality issues, and other such assignments that utilize the knowledge, experience, skills and expertise of the Designated Consultant. The duties of the Designated Consultant under this Letter Agreement do not include his responsibilities to manage production and assist with transition of the manufacturing of the products to Royal's facility as operations manager of IAC under the APA and Tolling and Support Agreement entered into in connection with the APA. The scope of the Designated Consultant's duties may be modified from time to time at the discretion of the Chief Executive Officer or the Board of Directors of Royal.

4. Independent Contractor. During the Consulting Period the services of the Designated Consultant will be independently contracted by the Company from IAC and the Designated Consultant will not be an employee of the Company. Consequently, it is expressly understood and agreed that the Designated Consultant will not be treated as an employee of the Company for any purpose including federal or state tax matters and the Designated Consultant is not eligible to, and will not participate in any Company employee benefit programs. The term "employment" as used in this Letter Agreement shall not be interpreted or construed to imply relationship of employee and employer between the Designated Consultant and the Company. The Designated Consultant will not be prevented from engaging in other employment so long as it does not interfere with his performance of his duties and the terms of this Letter Agreement, and in particular the provisions of Sections 7 through 10, inclusive are strictly followed.

5. Compensation. An advance of the consulting fee in the sum of fifty thousand dollars (\$50,000.00) for the Initial Term, will be paid in full at the beginning of the Initial Term. Royal and IAC have jointly determined that during the Initial

Exhibit B

FORM OF CONSULTING AGREEMENT

Term, the Designated Consultant shall be required to provide a minimum of three hundred (300) hours of consulting services. Should Royal request and you agree that the Designated Consultant provide services in excess of three hundred hours, or that he provide services during any extended term, the Company will compensate IAC at the rate of one hundred sixty-six and 67/100 dollars (\$166.67) per hour. Throughout the Consulting Period on a monthly basis, IAC shall submit invoices summarizing the Designated Consultant's activities in sufficient detail to allocate charges within the Company, including the dates and locations services were provided, the activity and the time spent in 1/10th hour increments. These invoices will be credited against the advanced consulting fee until the Designated Consultant has provided 300 hours of services; thereafter, Royal will pay IAC for additional services rendered, provided that Royal shall not pay for such additional services unless they are first authorized by the Chief Executive Officer of Royal in writing before such services are undertaken. Royal shall have no obligation to pay and shall not be liable for services rendered or duties performed by any Person on behalf of IAC under this Letter Agreement other than the Designated Consultant.

6. Representations and Warranties. IAC expressly represents and warrants that IAC shall pay the Designated Consultant all wages and other compensation to him immediately when due under terms that IAC and the Designated Consultant shall agree. IAC represents and warrants that it will collect or withhold from the Designated Consultant and pay when due all Federal and State taxes on compensation and expenses paid to the Designated Consultant and shall indemnify, defend and hold the Company harmless from any and all wages, compensation, taxes and penalties arising from services rendered to Royal by the Designated Consultant under this Letter Agreement. IAC will provide the Company with its Taxpayer ID Number upon executing this Letter Agreement, and shall provide the Company with all information and documentation required by the Company for Federal and State income tax reporting purposes upon request.

5. Business Expenses. We have jointly anticipated that the Designated Consultant's duties can be carried out from the Facility or his residence, and that no travel or other business expenses should be required; however, if the Company requests the Designated Consultant to provide services away from the Facility or his residence, he will be authorized to incur reasonable business expenses, including expenses for travel to and from work assignments and reasonably necessary accommodations in accordance with Royal policies. Royal agrees to reimburse the Designated Consultant directly for itemized business expenditures provided they are presented and approved in accordance with Royal's policies and procedures.

6. Reports. IAC shall cause the Designated Consultant to prepare and submit written reports on a monthly basis or more frequently if reasonably required by the Chief Executive Officer. the Designated Consultant's reports shall describe the consulting activities provided in sufficient detail to meet the reasonable business needs of Royal to permit follow-up or further action and to document his observations, opinions, results, recommendations and findings as is appropriate.

7. Proprietary Information Obligations. During his employment with IAC and during the Consulting Period, the Designated Consultant has had and will have access to and become acquainted with the confidential and proprietary information of the Company or its Affiliates, including but not limited to information or plans regarding the Company's Customer relationships, personnel, or sales, marketing, and financial operations and methods; trade secrets; formulas; devices; secret inventions; processes; methodologies; and other compilations of information, records, and specifications, any and all of which may be contained in documents, computer programs and files, pictures, plans or other visual representations, or may be communicated orally to him or observed by him (collectively, "Proprietary Information"). The Proprietary Information includes the confidential and proprietary information acquired by Royal from IAC under the Asset Purchase Agreement and other information disclosed by Royal. Neither the Designated Consultant nor IAC shall disclose any Proprietary Information directly or indirectly, or use it in any way, either during the Consulting Period or at any time thereafter, except as required in the course of the consultation with the Company or as authorized in writing in advance by the Company. All files, records, documents, electronically stored information, drawings, specifications, equipment and similar items relating to the business of the Company or its Affiliates, whether prepared by the Designated Consultant or otherwise coming into his or IAC's possession, shall be and remain the exclusive property of the Company and neither the Designated Consultant nor IAC shall copy or otherwise access Proprietary Information whatsoever without

Exhibit B

FORM OF CONSULTING AGREEMENT

the prior written consent of the Company except when (and only for the period) necessary for the Designated Consultant to carry out his duties under this Letter Agreement. Any and all Proprietary Information shall be immediately returned to the Company when services are no longer being provided and no copies thereof shall be kept by IAC or the Designated Consultant. The Designated Consultant represents that he is under no obligation of confidentiality to IAC or any other third party except as regards Proprietary Information acquired by Royal from IAC.

8. Intellectual Property Rights. All processes, inventions, patents, copyrights, trademarks, and other intangible rights that may be conceived or developed by you, either alone or with others, whether or not conceived or developed during your working hours, and with respect to which the equipment, supplies, facilities, trade secret or Proprietary Information of Royal was used, or that relate at the time of conception or reduction to practice of the invention to the business of Royal or to Royal's actual or demonstrably anticipated research and development, or that result from any work performed by you for Royal, shall be the sole property of Royal. You shall disclose to Royal all inventions conceived during the term of the Non-Competition Agreement, whether or not the property of Royal under the terms of the preceding sentence, provided that such disclosure shall be received by Royal in confidence. You shall execute all documents, including patent applications and assignments, required by Royal to establish Royal's rights under this Section 8.

9. Noncompetition. IAC and the Designated Consultant each acknowledge and agree that it or he and Royal are parties to a Non-Competition, Non-Solicitation and Confidentiality Agreement (the "Non-Competition Agreement") effective as of the Closing Date, the terms of which are deemed incorporated into this Letter Agreement as if set forth in full. You IAC and the Designated Consultant each acknowledge that they will derive significant value from the Company's agreement in Paragraph 7 to provide you with access to Proprietary Information of the Company to enable the Designated Consultant to perform his duties to the Company. IAC and the Designated Consultant each further acknowledge that fulfillment of the obligations in this Letter Agreement, including, but not limited to, the obligation neither to disclose nor to use the Company's Proprietary Information other than for the Company's exclusive benefit and the obligation not to compete contained in the Non-Competition Agreement is necessary to protect the Company's Proprietary Information and, consequently, to preserve the value and goodwill of the Company.

10. Royal Property. All documents, equipment and specimens relating to the business of Royal, whether prepared by the Designated Consultant or otherwise coming into your possession, are the exclusive property of Royal, and must not be removed from its premises except as required in the course of employment with Royal. All such documents and equipment must be returned to Royal when services are no longer being performed or this Letter Agreement is otherwise terminated.

11. Termination.

a. Termination for Cause. At any time during the Consulting Period, this Letter Agreement may be terminated forthwith by Royal for cause if the Designated Consultant or IAC or anyone acting for or on behalf of either willfully breaches, grossly neglects, fails or refuses to perform the duties which are required to be performed, willfully discloses confidential information or commits any act or omission which materially injures Royal or its reputation, or fails to perform the material covenants required under this Letter Agreement and/or the Company's published policies, or if the Designated Consultant commits a material act of dishonesty, fraud, misrepresentation or other act of moral turpitude. If this Letter Agreement is terminated for cause, the Company shall be entitled to recover the sum of \$4,167 for each month, or portion thereof from the date of the event or occurrence giving rise to the termination to the end of the Initial Term in addition to all other damages incurred or suffered by the Company.

b. Termination on Death. If you die during the Consulting Period, this Letter Agreement shall be terminated on the last day of the calendar month of your death.

c. Termination on Disability. If you are unable to provide consulting services, Royal shall have the right to declare this Letter Agreement terminated if the disability continues for two (2) consecutive full calendar months.

d. Termination by Resignation. After the Initial Term, either you or the Company may voluntarily terminate your consulting services at any time upon fifteen (15) days written notice to the other party.

Exhibit B

FORM OF CONSULTING AGREEMENT

e. Termination by Expiration. Unless extended on terms mutually agreeable to you and the Company no less than thirty (30) days prior to the expiration of the Initial Term, this Letter Agreement shall terminate _____, 2008.

12. Your Post-Termination Obligations. Notwithstanding the termination of this Letter Agreement, the provisions of paragraphs 7 (Proprietary Information Obligations), 8 (Intellectual Property Rights), 9 (Noncompetition), and 10 (Royal Property) shall survive.

13. Construction. This Letter Agreement shall be construed according to the laws of the State of Indiana. If any provision of this Letter Agreement is held invalid or unenforceable, the remainder of this Letter Agreement shall remain in full force and effect. If any provision is held invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances. This Letter Agreement shall also be construed according to its fair meaning and not for or against you or Royal regardless of who is responsible for its preparation in whole or in part.

14. Enforcement. IAC and the Designated Consultant each acknowledge that a breach of the covenants contained in Sections 7 through 10 may cause irreparable damage to the Company, the exact amount of which would be difficult to ascertain, and that the remedies at law for any such breach or threatened breach would be inadequate. Accordingly, IAC and the Designated Consultant each agree that if either breaches or threatens to breach any of the covenants contained in Sections 7 through 10 in addition to any other remedy which may be available to the Company at law or in equity or hereunder, the Company shall be entitled to (a) cease or withhold any payments and/or benefits due and payable to you, and (b) recover all compensation paid under paragraph 4 in addition to all other damages incurred or suffered by the Company, and (c) seek specific performance and injunctive relief to prevent the breach or any threatened breach thereof without bond or other security or a showing that monetary damages will not provide an adequate remedy.

15. Integrated Complete Agreement. This Letter Agreement integrates and supersedes all other prior written and oral agreements and understandings of every character and comprises the entire agreement between IAC and the Designated Consultant and Royal regarding the terms of the engagement as a consultant. This Letter Agreement may be amended only by a further express written agreement between IAC, the Designated Consultant and Royal and cannot be amended by informal discussions or written communications from either party to the other. No waiver of any rights or obligations under this Letter Agreement shall be deemed to have occurred unless in writing signed by the party against whom such waiver is asserted, and no waiver shall be deemed a waiver of any other or subsequent rights or obligations.

16. Arbitration. Any controversy or claim arising out of or relating to this Letter Agreement, or the breach, termination or invalidity thereof, and all other related claims shall be exclusively and finally settled by arbitration in accordance with the Labor Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator may be rendered in any court having jurisdiction thereof. The arbitration shall be held in South Bend, Indiana or the principal city of the federal judicial district in which you reside as of the date of termination. Notwithstanding the foregoing provisions of this Section 16, you and Royal agree that breaches of your obligations concerning trade secrets, confidential information and inventions cannot adequately be remedied at law or in arbitration, and that Royal may seek and upon proper proof obtain injunctive relief including damages from a court of competent jurisdiction in the event of breach of any such obligations as set forth in Sections 7 through 10 of this Letter Agreement. Any such injunctive proceedings shall be without prejudice to the Royal's rights under this Letter Agreement to obtain relief in arbitration with respect to all other matters.

17. Notices. Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses set forth below, but each party may change his or its address by written notice in accordance with this paragraph. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of three (3) days after mailing.

Exhibit B

FORM OF CONSULTING AGREEMENT

If to Royal:

Royal Adhesives and Sealants LLC
2001 W. Washington Street
South Bend, Indiana 46628

Attn: Chief Financial Officer

If to IAC:

Industrial Adhesive, Inc.
130 N. Campbell Ave.
Chicago, Illinois 60612

Attn: President

18. **Attorney's Fees and Costs.** If any arbitration proceeding or action at law or in equity is instituted or necessary in order to enforce or interpret the terms of this Letter Agreement or any dispute with respect thereto, then the prevailing party shall be entitled to an award of reasonable attorneys fees, costs and disbursements in addition to any other costs to which it or he might otherwise be entitled. An arbitrator shall have the authority to determine the appropriate amount of attorney's fees and costs for all arbitration proceedings.

19. **Assignment.** The rights and obligations of Royal under this Letter Agreement shall inure to the benefit of, and shall be binding upon, its successors and assigns. Any successor or assignee shall be deemed substituted for Royal under the terms of this Letter Agreement for all purposes.

20. **Counterparts.** This Letter Agreement may be signed in one or more counterparts, each of which shall be deemed to be an original.

If this Letter Agreement sets forth the terms we have discussed and agreed in full, please indicate your acceptance by signing the enclosed copy of this letter and return it to my attention.

Very Truly Yours,

Royal Adhesives and Sealants, LLC
By Ted Clark, Chief Executive Officer

Terms accepted and agreed to,

Industrial Adhesive, Inc.
Manuel Belbis, President
Date:

DRAFT

Exhibit B

FORM OF CONSULTING AGREEMENT

I have read and understood the terms of this Letter Agreement,
And in particular my obligations under paragraphs 7 through 10 above,
And agree to provide services on behalf of IAC as the Designated Consultant.

Manuel Belbis

Date:

**DRAFT
EXHIBIT C**

ASSIGNMENT OF ACCOUNTS RECEIVABLE

Assignment made this ___ day of _____, 2007 by Industrial Adhesive, Inc., an Illinois corporation having its offices at 130 N. Campbell Ave., Chicago, Illinois 60612, ("Assignor"), and Royal Adhesives and Sealants, LLC, a Delaware limited liability company having an address at 2001 W. Washington Street, South Bend, Indiana 46628 ("Assignee").

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby assigns, convey and warrant to Assignee all Assignor's right title and interest in and to the accounts set forth in Schedule A attached hereto (the "Account" or "Accounts"), having an aggregate value of _____ dollars (\$XXX,XXX.XX), together with: all invoices representing same; all amounts due or to become due upon the Accounts; title to the goods represented by the Accounts whether or not received, rejected, returned or reconsigned; and title to any new Account, including amounts to become due, created by a subsequent resale and not received, rejected, returned or reconsigned; and all other rights in the Accounts of any type or kind.

Concurrent with the execution of this Assignment, Assignor delivers to Assignee, receipt of which is hereby acknowledged, all invoices and shipping documents representing the goods and Accounts receivable herein assigned. Assignor agrees to deliver and execute such other documents as are reasonably requested by Assignee with respect to this Assignment.

Assignor herewith warrants and represents to Assignee as follows:

1. Schedule A attached hereto is a true and accurate statement of open Accounts now owing to Assignor, that all sales are bona fide sales and that said goods have been shipped as ordered, received and accepted and that no Account is contingent on delivery of products, performance of services or any future act by Assignor.
2. The assigned Accounts represent all of the outstanding Accounts of Assignor from sale of products or services of Assignor and that all goods or services have been delivered or given to the Account purchasers.
3. Schedule A attached hereto reflects the true net balances of each Account and the date payment of each Account is due.
4. No Account is secured and all Accounts are free of any lien, security interest or any encumbrance and payment is not subject to any contingency not yet performed by any party.
5. No Account is contested and no defense, counterclaim or offset exists as to any Account sold. All products sold as represented by the Accounts were sold in the ordinary course of business and were not subject to any lien or security interest. The proceeds of the Accounts are not subject to any security interest.
6. Assignor had at the time of the delivery of the goods free and clear title to the goods and Assignor has the full legal right to make this assignment. The board of directors of Assignor has duly authorized the officer of the Assignor whose name appears below to execute this Assignment of Accounts Receivable on behalf of Assignor.

**DRAFT
EXHIBIT C**

7. Any payments received by the Assignor for the Accounts herein transferred shall be received by the Assignor on behalf of and as the property of the Assignee and shall be immediately transferred to the Assignee, subject to collection, or properly endorsed.

In the event of default in the payment when due of any account herein transferred and upon demand by Assignee the Assignor shall repurchase the defaulted Account on or before the expiration of one hundred twenty (120) days from the date of this Assignment at the value paid for that account.

Assignor acknowledges that Assignee has relied on Assignor's warranties and representations in taking this Assignment.

In Witness Whereof the Assignor has executed this Assignment.

BY _____

[Notary Statement]

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EXHIBIT C**

Schedule A

Schedule of Assigned Accounts Receivable

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EXHIBIT D-1**

PATENT ASSIGNMENT

This Assignment ("Assignment") is made effective as of _____, 2007 from Gregory L. Johnson, an individual residing at Wilmette, Illinois and Manuel Belbis, an individual residing at Palos Hills, Illinois ("ASSIGNORS"), to Royal Adhesives and Sealants, LLC, a Delaware limited liability company having an address at 2001 W. Washington Street, South Bend, Indiana 46628 ("ASSIGNEE"):

WHEREAS, ASSIGNORS have invented certain new and useful improvements in envelope adhesives with flavors and scents for which an application for Letters Patent of the United States of America has been executed by the ASSIGNORS and filed in the US Patent and Trademark Office on or about April 16, 2004 and is pending as Patent Application Number 20050230459 as of October 20, 2005 and other intellectual property as described in Exhibit A, attached hereto and incorporated by reference herein (the "Invention").

WHEREAS, ASSIGNORS desires to sell, convey, transfer, assign, deliver, and contribute to ASSIGNEE all of the right, title, and interest of each of them, jointly and severally, in and to the Invention.

NOW, THEREFORE, in consideration of the payment of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, ASSIGNORS hereby sell, convey, transfer, assign, deliver, and contribute to ASSIGNEE in equal and undivided amounts, all of ASSIGNORS' right, title, and interest of whatever kind in and to the Invention, together with (1) the full and exclusive right to the Invention in the United States, its territories, dependencies and possessions and the entire right, title and interest in and to any and all Letters Patent which may be granted therefor in the United States and in any and all foreign countries and to any and all divisions, reissues, continuations, conversions and extensions thereof for the full term or terms for which the same may be granted; (2) all income, royalties, and damages hereafter due or payable to either ASSIGNOR or both with respect to the Invention, including without limitation, damages, and payments for past or future infringements and misappropriations of the Invention and any Letters Patent which may be granted; and (3) all rights to sue for past, present and future infringements or misappropriations of the Invention and any Letters Patent which may be granted.

Each ASSIGNOR further covenants and agrees that he will execute all documents, papers, forms and authorizations and take all other actions that may be necessary for securing, completing, or vesting in ASSIGNEE full right, title, and interest in the Invention and any Letters Patent which may be granted.

Each ASSIGNOR further covenants and agrees that he will execute all documents, papers, forms and authorizations and take all other actions that may be necessary in connection with Patent Application Number 20050230459 and any continuing, divisional, conversion or reissue applications thereof and also to execute separate assignments in connection with such applications as the ASSIGNEE may deem necessary or expedient.

Each ASSIGNOR further covenants and agrees that he will execute all documents, papers, forms and authorizations and take all other actions that may be necessary in connection with any interference which may be declared concerning Patent Application Number 20050230459 or any continuation, division, conversion or reissue thereof or Letters Patent or reissue patent issued thereon and to cooperate with the ASSIGNEE in every way possible in obtaining and producing evidence and proceeding with such interference.

Each ASSIGNOR further covenants and agrees that he will execute all documents, papers, forms and authorizations and take all other actions that may be necessary in connection with claims or provisions of the International Convention for the Protection of Industrial Property or similar agreements.

Each ASSIGNOR hereby authorizes and requests the representatives and officials of the US Patent and Trademark Office and of the patent and trademark offices in any foreign countries to issue any and all Letters Patent resulting from the Invention and from Patent Application Number 20050230459 or any continuing, divisional conversion or reissue applications thereof to the ASSIGNEE, as ASSIGNEE of the

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EXHIBIT D-1

entire interest, and hereby covenants that he has (and together they have) the full right to convert the entire interest assigned herein, and that he has (and together they have) not executed, and will not execute any agreement in conflict with this Assignment.

The ASSIGNORS hereby covenant, and each of them covenants, that no assignment, sale, agreement or encumbrance has been or will be made or entered into which would conflict with this Assignment.

IN WITNESS WHEREOF, each ASSIGNOR has duly executed and delivered this Assignment, as of the day and year first above written.

MANUEL BELBIS

GREGORY L. JOHNSON

Manuel Belbis
Date:

Gregory L. Johnson
Date:

ACKNOWLEDGEMENT

State Of Illinois)
)
County of _____)

On _____, 2007 before me, _____, Notary Public, personally appeared Manuel Belbis, proved to me on the basis of satisfactory evidence to be the person(s) whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary Public

State Of Illinois)
)
County of _____)

On _____, 2007 before me, _____, Notary Public, personally appeared Gregory L. Johnson, proved to me on the basis of satisfactory evidence to be the person(s) whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary Public

IAC – Royal Patent Assignment
080707

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EXHIBIT D-1**

EXHIBIT A

**Patent Application Number 20050230459 – Copy Attached
(Registered with the US Patent and Trademark Office)**

**IAC – Royal Patent Assignment
080707**

**TRADEMARK
REEL: 003675 FRAME: 0497**

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EXHIBIT D**

TRADEMARK ASSIGNMENT

This Assignment ("Assignment") is made effective as of _____, 2007 from Industrial Adhesive, Inc., an Illinois corporation ("ASSIGNOR"), to Royal Adhesives and Sealants, LLC, a Delaware limited liability company ("ASSIGNEE"):

WHEREAS, ASSIGNOR is the owner of the trademarks (the "Marks") and other intellectual property (the "Property") as described in Exhibit A, attached hereto and incorporated by reference herein, together with the goodwill of the business symbolized thereby in connection with the goods on which the Marks are used (the "Products").

WHEREAS, ASSIGNOR desires to convey, transfer, assign, deliver, and contribute to ASSIGNEE all of its right, title, and interest in and to the Marks and the Property.

NOW, THEREFORE, in consideration of the payment of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, ASSIGNOR hereby conveys, transfers, assigns, delivers, and contributes to ASSIGNEE all of ASSIGNOR'S right, title, and interest of whatever kind in and to the Marks and the Property, together with (1) the goodwill of the business relating to the Products in respect upon which the Marks are used and for which they are registered; (2) all income, royalties, and damages hereafter due or payable to ASSIGNOR with respect to the Marks, including without limitation, damages, and payments for past or future infringements and misappropriations of the Marks; and (3) all rights to sue for past, present and future infringements or misappropriations of the Marks.

ASSIGNOR further covenants that it will execute all documents, papers, forms and authorizations and take all other actions that may be necessary for securing, completing, or vesting in ASSIGNEE full right, title, and interest in the Marks and the Property.

IN WITNESS WHEREOF, ASSIGNOR has duly executed under seal and delivered this Assignment, as of the day and year first above written.

Industrial Adhesive, Inc.

/s/

By Manuel Belbis, President

ACKNOWLEDGEMENT

State Of Illinois)
)
County of _____)

On _____, 2007 before me, _____, Notary Public, personally appeared Manuel Belbis, proved to me on the basis of satisfactory evidence to be the person(s) whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary Public

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EXHIBIT D**

EXHIBIT A

TRADEMARKS

(Registered with the US Patent and Trademark Office)

Mark	Serial No.	Reg. No.	Filing Date	Reg. Date
IAC and logo	75/476514	2,334,441	April 29, 1998	March 28, 2000
Bond-Plus	73/139810	1,094,852	September 2, 1977	July 4, 1978
The Bond Power Company and logo	75/476515	2,356,593	April 29, 1998	June 13, 2000

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Exhibit E**

**NON-COMPETITION, NON-SOLICITATION AND CONFIDENTIALITY
AGREEMENT**

THIS AGREEMENT (this "Agreement") is made and entered into this ___ day of ____, 2007, by and among Industrial Adhesive, Inc., an Illinois corporation having an address at 130 N. Campbell Ave., Chicago, Illinois 60612 ("IAC"), and Manuel Belbis, an individual, (the foregoing individual, the "Shareholder", and together with IAC, the "Sellers"), and Royal Adhesives and Sealants, LLC a Delaware limited liability company having an address at 2001 W. Washington Street, South Bend, Indiana 46628 (the "Buyer").

A. Buyer and Sellers have entered into an Asset Purchase Agreement, dated as of _____, 2007 (the "Asset Purchase Agreement"), pursuant to which Buyer is acquiring substantially all of the personal and intangible assets, properties and rights used in or related to the development, manufacture, marketing and sale of EVA, PVA, SBR and acrylic adhesive products of IAC as set forth and described in the Asset Purchase Agreement (the "Business").

B. As a condition to the consummation of the Transactions contemplated by the Asset Purchase Agreement, the parties have agreed to enter into this Agreement.

Capitalized terms used in this Agreement but not specifically defined herein have the meanings set forth in the Asset Purchase Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained in this Agreement and the Asset Purchase Agreement, and for other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. From and after the effective date of this Agreement, which date shall be concurrent with the Closing Date of the Asset Purchase Agreement, each Seller for itself and its Affiliates individually, hereby covenants and agrees that:

(a) As used in this Agreement, the following terms shall have the following meanings:

(i) "Non-Competition Period" means the period of five (5) years from and after the Closing Date.

(ii) "Compete". As used in this Agreement, a Person, business or organization shall be deemed to "Compete" with the Business if such Person engages in the development, manufacture, processing, marketing, distribution or sale of products, or the rendering of related services, which products are substantially similar to the EVA, PVA, SBR and acrylic adhesive Products in composition, use or application, any modifications or enhancements to such products (to the extent such modifications or enhancements are used for products substantially similar to the EVA, PVA, SBR and acrylic adhesive Products in composition, use or application).

(iii) "Customer" is any Person that, during the applicable period, uses, purchases, or has used, or purchased EVA, PVA, SBR and acrylic adhesive products, including the Products, or materials functionally similar to the Products.

(iv) "Including," "include" or "includes" mean including as an example, without limiting the generality of the universe described.

(b) Each Seller agrees that he or it will not, and will not permit any of its Affiliates to own, manage, operate, join, control or participate in the ownership, management, operation or control of, or be

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Exhibit E

connected as a director, officer, employee, partner, lender or consultant with, or have an equity interest in any business or organization that, directly or indirectly, Competes with the Business in any part of North America or the rest of the World; provided, however, that Buyer derives at least three percent (3%) of its gross revenues from each such geographic area during the Non-Competition Period. Notwithstanding the foregoing, each Seller may hold not more than one percent (1%) of a publicly-traded company that, directly or indirectly, Competes with the Business.

(c) Without limiting Section 1(b), during the Non-Competition Period, each Seller, for itself and its Affiliates, hereby covenants and agrees that he and it individually or collectively will not, and will not permit any of their Affiliates to, directly or indirectly:

(i) solicit, entice or induce any Person that as of the Closing Date is, and during the three (3) year-period prior to the Closing Date was, or at any time during the Non-Competition Period shall be, a Customer to become a customer of any Person other than Buyer for products or services similar to, or competitive with, the Business;

(ii) approach any Person for such purpose or authorize the taking of such actions by any other Person or assist or participate with any such Person in taking such action,

(iii) in any way interfere with the relationship between Buyer and any such Person or business relationship;

(iv) seek to induce a Customer thereof to cancel orders or reduce the volume of purchases by a Customer thereof from the Buyer; or

(v) directly or indirectly, take any action to disparage or criticize Buyer or its Affiliates, or its respective employees, directors, owners or customers or engage in any other action that is intended or reasonably expected to injure or hinder the business relationships of the Buyer.

(d) IAC and Shareholder for himself, itself and for their respective Affiliates agrees he or it will not engage in the research, development or manufacture, directly or indirectly, or supervise or assist in any way the research, development or manufacture, for sale to any Person, of any product of a type sold or usable for substantially the same purpose as, or otherwise is intended to Compete with, any Product.

(e) For the period beginning on the date of this Agreement and ending five (5) years after the Closing no Seller nor any of its Affiliates will solicit for employment or employ any employees of Buyer or cause any such employees to leave the employment of Buyer or any of its Affiliates without the express consent of Buyer, which consent will not be unreasonably withheld. For greater certainty and elimination of doubt, as used in this Agreement, "employees of Buyer" includes persons who were employed by IAC prior to the Closing and employed by Buyer after the Closing.

2. The covenants not to compete contained in this Agreement shall be construed as agreements independent of any other provision of the Asset Purchase Agreement, and the existence of any claim or cause of action that a Seller or its Affiliates or a Shareholder may have against the Buyer shall not constitute a defense to the enforcement of such covenants by the Buyer. The Buyer, the Seller and the Shareholder, for itself and himself, and their respective Affiliates acknowledges and agrees the duration and the scope of the covenants not to compete set forth herein both are reasonable and are necessary for the legitimate protection of the parties' business and interests. Notwithstanding the foregoing, if the covenants not to compete contained herein would otherwise be determined partially or totally invalid or unenforceable, IAC and each Shareholder, for itself and himself and their respective Affiliates hereby

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Exhibit E

covenants and agrees that any court of competent jurisdiction shall exercise its discretion in reforming such provision to the maximum extent of the law such that they, or any of them, will be subject to a covenant not to compete reasonable under the circumstances and enforceable by the Buyer.

3. **Disclosure of Confidential Information.** Each Seller acknowledges that he and in the case of IAC, it and its officers, directors, shareholders, employees and Affiliates, is in possession of confidential information concerning the Purchased Assets and the Business sold and transferred to Buyer, including the Intellectual Property, and that such information shall be, from and after the Closing Date, proprietary to the Buyer (the "Confidential Information"). Except as may be required by law, each of the Sellers will not, and will not permit its Affiliates or any of their respective officers, directors and employees to, and Shareholder will not, disclose, disseminate, divulge, discuss, copy or otherwise use or suffer to be used any Confidential Information, including trade secrets, know-how, customer lists and other similar proprietary information. Each Seller further agrees that from and after the Closing Date, and pursuant to the terms of the Tolling and Support Agreement by and between the parties he or it promptly will deliver to Buyer all Confidential Information in their possession (in whatever form it may exist) without retaining any copy thereof, or with the consent of the Buyer destroy all Confidential Information and all copies of such information and each shall provide its certification of such destruction.

4. Shareholder represents and warrants that he directly and beneficially owns and controls all of the issued and outstanding shares of IAC.

5. IAC and Shareholder represents and warrants to Buyer that

(a) the execution, delivery and performance of this Agreement by IAC or Shareholder does not and will not conflict with, breach, violate or cause a material default under any contract, agreement or any order, judgment or decree to which IAC or Shareholder is a party or by which Seller or any of its Affiliates is bound, and

(b) upon the execution and delivery of this Agreement by Buyer, this Agreement will be the valid and binding obligation of IAC and Shareholder, enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights.

6. Each Seller, for itself and its Affiliates agrees that money damages would not be a sufficient remedy for any breach of this Agreement and, accordingly, that the Buyer shall be entitled to equitable relief, including injunction and specific performance, in the event of any breach of the provisions of this Agreement, in addition to all other remedies available at law or in equity and the Buyer shall be entitled to all reasonable fees (including attorneys fees and expenses) incurred by the Buyer in enforcing this Agreement.

7. The parties further understand and agree that no failure or delay in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

8. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement may not be changed, modified, amended, supplemented or assigned except by a written instrument signed by each of the parties.

9. Any notices required or permitted hereunder shall be given to the appropriate party at the address specified below such party's signature or at such other address as the party shall specify in writing. Such

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Exhibit E**

notice shall be deemed given upon the date of the personal delivery of such notice, or upon the date of confirmation of the transmittal of the notice by telecopy (provided that such telecopied notice is followed, within twenty-four (24) hours by personal delivery to the receiving party or by deposit with an overnight courier of national reputation) or three (3) days after the date of mailing such notice by certified or registered mail, postage prepaid.

10. This Agreement may be executed in two or more counterparts all of which shall have the same force and effect as if all parties to this Agreement had executed a single original of this Agreement.

**THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN
ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF INDIANA.**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

IAC: **INDUSTRIAL ADHESIVE, INC.**

By: _____

Name: Manuel Belbis
Title: President

SHAREHOLDER: **MANUEL BELBIS**

Manuel Belbis
Address: 9748 S. Pemberly Ct.
Palos Hills, Illinois 60465

BUYER: **ROYAL ADHESIVES AND SEALANTS, LLC**

By: _____

Name: Theodore M. Clark
Title: Chief Executive Officer

EXHIBIT F

TOLLING AND SUPPORT AGREEMENT

THIS TOLLING AND SUPPORT AGREEMENT (this "Agreement") is made and entered into as of this ___ day of ____, 2007, by and between Industrial Adhesive, Inc., an Illinois corporation with offices at 130 N. Campbell Ave., Chicago, Illinois 60612 ("Seller"); and Royal Adhesives And Sealants, LLC, a Delaware limited liability company with offices at 2001 W. Washington Street, South Bend, Indiana 46628 ("Royal").

WHEREAS, the Seller is engaged, among other things, in the business of producing certain industrial adhesive products for sale and use by other manufacturers, including the Products identified as Schedule 1 to this Agreement at the facilities of Seller at its address set forth above (the "Facility");

WHEREAS, Royal has purchased certain Purchased Assets from Seller pursuant to an Asset Purchase Agreement between Royal and Seller, dated as of __, 2007 (the "Asset Purchase Agreement");

WHEREAS, Royal intends to develop the ability to manufacture the Products in its own facilities as soon as commercially practical, to obtain all necessary Customer approvals to supply Products, and to begin promoting and selling the Products to general industrial and commercial businesses and to transition the production of Products from Seller's facility to Royal's facility as soon as Royal is able to make Products to the Specifications;

WHEREAS, Seller developed the Intellectual Property on which the Products are based, has the technical and manufacturing ability, experience and expertise to manufacture the Products in conformance with the Specifications, and has agreed to use commercially reasonable efforts to assist Royal in transitioning the Products on behalf and for the benefit of Royal pursuant the Asset Purchase Agreement and the Related Agreements; and

WHEREAS, Seller has agreed to manufacture Products under this Agreement exclusively for Royal until the Agreement expires or is terminated as set forth herein.

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Agreement and of the representations, warranties, conditions and promises contained herein, and intending to be legally bound, the parties hereto agree as follows:

1.0 **Definitions.** In this Agreement, all capitalized terms shall have the same meaning as those terms are defined in the Asset Purchase Agreement and in addition, the following terms shall have the following meanings:

1.1 "Commencement Date" means the date on which Royal acquires the Business and the Purchased Assets pursuant to the Asset Purchase Agreement.

1.2 "Customer" is any Person that uses, purchases or re-sells, or has used, purchased or re-sold the Products, including customers identified on the Customer Lists.

EXHIBIT F

1.3 "Including," "include" or "includes" mean including as an example, without limiting the generality of the universe described.

1.4 "Order" shall mean a purchase order placed with Seller by Royal or a Customer that sets forth the quantities, package configurations, delivery dates, preferred method of shipment, shipping instructions and name and address of Royal's Customers or Royal's warehouse, as the case may be, for Products.

1.5 "Period of this Agreement" means the period beginning with the Commencement Date and ending as provided in Section 15 unless terminated sooner in accordance with the provisions of this Agreement.

1.6 "Products" means the Products identified as of the date of this Agreement as listed in Schedule 1, and each intermediate and component of the Products including all modifications, enhancements, improvements to the Products, together with all packaging, labels, material safety data sheets and other Documents reasonably necessary to ship and deliver such Products to Customers.

1.7 "Proprietary Information" means all Intellectual Property and other information relating to manufacturing, testing, packaging and shipping of the Products, and all other information disclosed to or developed by Seller concerning the Products whether or not such information became known to Seller before or during the term of this Agreement including production, evaluation and testing records.

1.8 "Raw Materials" means all polymers, resins, intermediates, pigments, plasticizer, solvents, catalysts, curing agents, adhesion promoters and other components and the containers (including metallic and plastic containers, totes, cartridges, cartons, pallets, over packaging and labels) and all other materials necessary for the manufacture, packaging and shipping of the Products.

1.9 "Specifications" means the inspection and approval criteria in for the Raw Materials and Products as of the time a Product is manufactured or processed including,

1.9.1 the identity, supplier, grade, acceptance criteria and TSCA certification of the Raw Materials and the packaging and labeling of the Products and health and safety information needed to meet statutory requirements together with any additions or amendments thereto as notified by Royal and agreed to by Seller in writing from time to time, and

1.9.2 Customer and manufacturing criteria, information, parameters and specifications to which the Raw Materials and Products are inspected, tested, represented and sold.

2.0 Reserved.

3.0 Charges and Purchase Price of Products. Royal shall pay Seller a conversion fee of Fifteen thousand dollars (\$15,000.00) per month for services performed and Products produced under this Agreement (the "Tolling Fee"). The Tolling Fee shall include all Seller's costs related to converting Raw Materials to Products, including Seller's direct labor, utilities and plant overhead and administrative costs. The Tolling Fee shall be due in equal installments on the first day and the fifteenth day of the calendar month to which it applies.

4.0 Orders for the Products.

EXHIBIT F

4.1 Subject to the terms and conditions set forth in this Agreement, Seller shall manufacture, test, and package the Products and deliver the Products to Royal or to Royal's Customers as the case may be, as directed by Royal.

4.2 Royal will transmit Orders for Products from time to time during the month by mail, confirmed facsimile or confirmed e-mail. Seller shall manufacture, test, package, prepare for shipment and ship such Products within a lead time of five (5) Business Days, provided, however, that if Seller is unable to ship any such Orders within such lead time due to lack of production capacity, the parties shall consult with each other for the purpose of establishing a production schedule, which shall be set forth in a writing signed by both parties.

4.3 All Orders will be subject to the standard conditions of purchase of Royal. A copy of the conditions as in force at the Commencement Date is attached to this Agreement as Schedule 2. If such conditions of purchase conflict with the conditions of this Agreement, then the conditions of this Agreement shall supersede any such conflicting conditions. Except as provided in this Section 4.3 no acknowledgement forms, shipping documents or other documents which either of the parties may enclose with orders, confirmation of orders, invoices and the like shall vary or add to such conditions of purchase.

4.4 All Orders shall be for Products which include for greater certainty "Coating H" and "Gloss Coat". Seller shall not be required to manufacture any other new product at the Facility unless both parties first agree in writing.

5.0 Raw Materials, Labeling and Marketing.

5.1 Royal shall be responsible for obtaining all Raw Materials and ensuring that Seller has sufficient quantities of Raw Materials available to meet all Royal's order requirements.

5.2 Seller shall inspect Raw Materials to ensure that the Raw Materials comply in all respects with the Specifications and in accordance with the Proprietary Information such that the finished goods produced will meet or exceed the Specifications for Products. Royal may inspect and test Raw Materials in its reasonable discretion. Seller will not substitute, rework or otherwise change any Raw Material from the Raw Material specified in the formulas for any Product without the prior written consent of Royal, which will not be unreasonably withheld. Should it become necessary or commercially advantageous to Royal to make changes in the Specifications for Raw Materials or Products, or if requested by Customers to make such changes during the term of this Agreement, the Seller and Royal will cooperate in good faith to adopt such changes and incorporate them into the Specifications.

6.0 Manufacturing Requirements and Quality Control.

6.1 Throughout the Period of this Agreement, Seller shall maintain sufficient and capable manufacturing, testing, packaging and storage facilities, including, but not limited to its manufacturing and testing equipment; its materials processing, handling, and testing capabilities; and its procedures and policies fully compliant and in good operable and fully calibrated condition, and shall maintain a qualified labor force and staff capable of manufacturing and testing the Products.

6.1.1 Any equipment, tools, testing apparatus, documents, or materials belonging to Royal or furnished to Seller by Royal for the purpose of performing services under this Agreement shall remain the property of Royal and Royal shall have the right to repossess

EXHIBIT F

any such materials at any time either by taking possession or by the exercise of all legal and equitable remedies available to Royal.

6.2 Seller shall meet or exceed the quality control requirements and procedures as set forth on the respective Specifications for each Product. Seller shall comply with reasonable changes to the Specifications as subsequently advised from time-to-time in writing to Seller by Royal which shall be within applicable industry standards for the Products. Seller shall deliver to Royal a sample of Products, packaged as directed by Royal, together with Seller's certification that each Product conforms to its respective Specifications. Seller shall provide copies of batch sheets, production records, quality control tests, labels, analyses and all other records relating to the production and testing of the Products to Royal. Seller will retain a sample for each batch of Product in accordance with Royal's instructions during the term of this Agreement and then will forward such retained samples to Royal upon Royal's request and at Royal's expense.

6.3 During the Period of this Agreement Seller shall allow Royal and its representatives, upon reasonable advance notice, access to the Facility to consult with and observe the manufacture and testing of Products, to learn manufacturing processes and techniques, and to facilitate Seller's Transition Support.

6.4 Without prejudice to Royal's other remedies Royal may return any Products to Seller at Seller's risk and expense provided such Products are defective or do not conform to the Specifications. Seller shall promptly pay to Royal the cost of Raw Material for such returned Products and any other sums paid by Royal, other than Tolling Fees. Without limiting the foregoing, Royal may deduct from any unpaid Tolling Fees the Raw Material cost of Products that are defective or that do not conform to the Specifications.

6.5 Any unacceptable, defective or non-conforming Products, intermediates or Raw Materials, whether identified at Seller's facilities or returned to Seller, shall be stored, packaged, transported and disposed of by Seller in conformance with all applicable laws and regulations. Royal shall not be deemed a generator or arranger under the Resource Conservation and Recovery Act ("RCRA") or any other applicable regulations. All storage, transportation and disposal costs and risks for unacceptable, defective or non-conforming Products shall be borne by Seller.

6.6 Seller acknowledges that the Products and Raw Materials used in the manufacture thereof contain hazardous or toxic substances. Seller shall at all times operate and maintain the Facility in compliance with all applicable federal, state, and local health, safety and environmental laws and regulations governing the manufacture, handling and packaging of the Raw Materials and the Products as well as all other federal, state or local laws, rules, regulations, directives or orders applicable to the manufacture, sale and transportation of the Products. Seller shall comply with all pertinent warnings or instructions of the manufacturer of any Raw Materials and undertake all pertinent employee training programs to ensure compliance with any such instructions. Seller shall provide details of such compliance to Royal upon reasonable request

6.7 Nothing in this Agreement shall be construed as requiring Seller to manufacture any Product when doing so would cause Seller to be in violation of any applicable health, safety or environmental laws or regulations.

7.0 Labeling and Packaging. Seller shall label and mark packages containing Products as set out in the Specifications or as otherwise directed in writing by Royal and as required by applicable laws and regulations. Seller hereby acknowledges and agrees that the Trademarks,

EXHIBIT F

together with all other trade names, logotypes, designs or product and company designations used by Royal in connection with the Products are the exclusive property of Royal and neither Seller nor any Person claiming through Seller shall have any right of ownership, license, right to use, goodwill or any other such right to such names or designations. Seller shall not use any packaging materials bearing Royal's name, Trademarks, trade names, logos or other identifying marks for any purpose other than performing its obligations under this Agreement.

8.0 Delivery.

8.1 Delivery shall be from Seller's Facility at Chicago, Illinois to Royal's Customers or Royal's warehouse in such quantities, configurations and delivery dates as specified by Royal in the Orders, FOB loading dock at manufacturing location. Unless otherwise agreed by the parties, common carriers shall be specified by Royal, and all freight, insurance, handling and storage charges shall be paid directly by Royal.

8.2 Seller shall package all Products in accordance with applicable regulations, carrier's requirements, Customer requirements conveyed to Seller by Royal in writing with and at the time of the applicable Order and terms of the order, and will include all applicable documentation including bill of lading, packing list, material safety data sheet, test reports, certifications and any other documents. Seller will inform Royal of all details regarding the means of shipment sufficient for Royal to track the shipment, including carrier, bill of lading, waybill number, freight forwarder, and all other applicable information.

9.0 Records.

9.1 Seller will maintain supplier, production and quality control records relating to the Products, Raw Materials and labeling used in the manufacture of Products during the Period of this Agreement (the "Manufacturing Records"). All Manufacturing Records are Proprietary Information of Royal. The originals and all copies of all Proprietary Information including Manufacturing Records shall be delivered to Royal upon expiration or termination of this Agreement. Should regulators or insurers of Seller require inspection of Manufacturing Records after they have been delivered to Royal, Royal shall permit such inspection of any such documents in its possession and control provided Seller gives reasonable notice identifying the specific documents and the reason for the request and adequately provides for the protection of the confidentiality of Proprietary Information.

9.2 To enable batch traceability, Seller will use a coding system agreed with Royal for the Products.

9.3 Seller shall, at the request of Royal, provide Royal with a statement of the Raw Material and finished goods inventory of Products at the end of each calendar month in such form and detail as Royal may reasonably request.

10.0 Disclosure of Information, Confidentiality and Competition.

10.1 Seller acknowledges that its continued access to and use of the Proprietary Information and to other confidential information or trade secrets of Royal ("Royal Confidential Information") is permitted by Royal only for the purposes set out in this Agreement and the Asset Purchase Agreement. All inventions, patentable or otherwise, trade secrets, discoveries, ideas, writings, technology, know-how, improvements or other advances or findings relating to Products or technology resulting from work specifically performed by Seller for Royal under this Agreement and during the term of this Agreement shall be and become Proprietary Information.

EXHIBIT F

Seller agrees that it shall hold Proprietary Information and Royal Confidential Information in the strictest confidence as follows: Seller agrees not to divulge, communicate or disclose to any Person, or use to the detriment of Royal or for the benefit of any other Person, any Proprietary Information, including Intellectual Property or Royal Confidential Information at any time without the express, prior written consent of Royal.

10.2 Seller may disclose Proprietary Information and Royal Confidential Information to those of its employees who are reasonably required to perform Seller's obligations under this Agreement, provided such employees shall have first executed an employee confidentiality agreement reasonably satisfactory to Royal. A copy of an employee confidentiality agreement acceptable to Royal is attached as Schedule 3.

10.3 Seller shall keep the nature, contents and existence of this Agreement confidential and shall not make any disclosure to any third party regarding the nature, contents and existence of this Agreement without the prior written permission of Royal, other than to its lawyers and to its financial and accounting advisors or as may be required in any proceeding or compelled by any tribunal of competent jurisdiction, in which case, disclosure may be made not less than thirty (30) days after Seller has provided notice to Royal of the proceeding.

10.4 Except as provided in Section 15.5, on termination of the Agreement and upon Royal's request and at Royal's option and expense, Seller shall return all originals and copies of Proprietary Information, Royal Confidential Information and Specifications or shall destroy such copies and provide evidence to Royal of such destruction. All rights to and property in the Proprietary Information, Royal Confidential Information and the Specifications shall remain exclusively with Royal. Seller shall use the Specifications only for the purpose of manufacturing the Products for supply to Royal and for no other purpose whatsoever. Notwithstanding the foregoing, Seller may retain copies of any such documents as may be required by applicable laws and regulations, or necessary to defend any lawsuit filed and served prior to termination, the subject matter of which is the Products.

10.5 Seller and Royal are parties to a Non-Competition Agreement, dated as of _____, 2007, entered into in connection with the Asset Purchase Agreement. Nothing in this Agreement is intended to limit or in any way abrogate the terms, effect or intent of the Non-Competition Agreement.

10.6 Seller shall use the Proprietary Information only in connection with the manufacture and production of the Products under this Agreement. Seller shall have no right whatsoever to disclose or use the Proprietary Information and no license is granted or implied under this Agreement except as expressly provided in this Agreement and any and all of such rights shall be terminated upon the expiration or termination of this Agreement.

10.7 Seller agrees to cooperate with Royal in securing for Royal any patents, copyrights, trademarks or the like which Royal may seek anywhere in the world to obtain in connection therewith, and Seller and persons employed by or otherwise engaged by Seller shall execute, acknowledge and deliver to Royal all instruments which Royal shall reasonably require, give evidence and do all things which are necessary or desirable to enable Royal to file and prosecute applications for, and to acquire, maintain and enforce, all letters patent, trademark registrations or copyrights in all countries covering such Proprietary Information.

11.0 Limited Warranty.

11.1 Seller represents and warrants that:

EXHIBIT F

11.1.1 All Products manufactured, packaged and delivered by Seller will meet or exceed the Specifications in effect as of the time of shipment,

11.1.2 The Products, when delivered, will be of good and merchantable quality, fit for the purpose intended,

11.1.3 Seller has the necessary experience, expertise and equipment to manufacture, handle, package and ship the Products, and

11.1.4 Royal shall receive good and marketable title to the Products free of any claims, liens or encumbrances.

11.2 Seller shall comply with applicable law and regulations. Seller shall manufacture, test and package all Products in a good and workman like manner. Seller shall prepare a certification that each Product meets or exceeds the Specifications which certification shall accompany each shipment.

11.3 Seller must provide notice to Buyer for any and all claims for breach of Seller's warranty pertaining to Products manufactured under this Agreement within one (1) year from date of shipment to Royal or its customers or such claims shall be barred.

12.0 Indemnification.

12.1 Seller shall defend, indemnify, and hold harmless Royal, its agents and employees from and against all claims, actions, losses, damages, judgments and expenses (including reasonable attorneys fees) arising out of:

12.1.1 the performance, failure to perform or improper performance of work under this Agreement by Seller or any other breach by Seller of the terms and provisions of this Agreement,

12.1.2 Seller's receipt, possession, handling, processing, manufacturing, packaging or shipment of any Raw Materials, intermediates and the Products,

12.1.3 the failure of any Product to meet the Specifications,

12.1.4 any violation or alleged violation by Seller of any federal, state or local statutes, ordinances, orders, rules, regulations or directives applicable to the receipt, possession, handling, processing, manufacturing, packaging or shipment of the Products or any Raw Materials or intermediates used in the manufacture of the Product or the disposal of any waste or by-product arising or resulting from the manufacture of the Products,

12.1.5 any negligent or willful act or omission of Seller, its employees, subcontractors or agents,

12.1.6 the generation, handling, storage, treatment or disposal of any solid or liquid waste or by-products arising or resulting from the manufacture of the Products pursuant to the terms of this Agreement., and

12.1.7 any other obligations and liabilities of Seller.

12.2 Seller shall indemnify, defend, and hold Royal harmless from and against all claims, actions, losses, damages, and expenses by Seller's employees, agents, consultants or other Persons for injuries, illnesses and other damages incurred at Seller's locations or while in the employment of or performing services for Seller.

12.3 Royal does not assume any obligation whatsoever of Seller, and Seller shall indemnify, defend, and hold Royal harmless from and against all claims, actions, losses, damages, and expenses arising from:

12.3.1 any environmental damage, costs and liabilities arising from environmental, health, or safety conditions, or the release of a contaminant into the environment,

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EXHIBIT F

for any act, omission, condition, event or circumstance to the extent occurring or existing at any time at the Facility; including without limitation all environmental costs and liabilities relating in any manner to a Seller's direct or indirect handling, storage, transportation or disposal of any hazardous materials or contaminants,

12.3.2 any of Seller's liabilities in respect of any taxes, including any taxes or any fees arising in connection with the consummation of the Transactions, any tax or liability of any stockholder of a Seller or its Affiliates and any of Seller's fees and expenses incurred in connection with the transfer of the Assets,

12.3.3 any brokers' or finders' fees, or other liability of Seller for costs and expenses (including legal fees and expenses) incurred in connection with this Agreement or the consummation of the Transactions,

12.3.4 any liability or obligation of Seller under this Agreement or the Related Agreements,

12.3.4 any indebtedness of Seller, any obligations or liabilities, including severance, pension plan benefits and compensation, for Seller's employees or retirees,

12.3.4 any liabilities from any claim arising from the discharge of Seller's employees and relocation of the Business including WARN Act requirements and state law equivalents,

12.3.5 any obligation or liability arising as a result of or whose existence is a breach of Seller's representations, warranties, agreements or covenants,

12.3.6 any liability of any kind relating to any claim that a product manufactured or shipped by Seller is or was defective, or that Seller is or was negligent, or from any representation, act or omission of Seller concerning any Product,

12.3.7 liabilities or obligations under contracts, inventory purchase orders, leases, subleases, commitments, permits and approvals not assigned to and assumed by Royal pursuant to the terms of the Asset Purchase Agreement or this Agreement,

12.3.9 liabilities for any violation of any law or regulation including violations of the Toxic Substance Control Act,

12.3.10 obligations or liabilities arising from transactions or financing between or among any Affiliate of Seller,

12.3.11 liability for wages, vacation, bonus, severance or other compensation owed to or accrued for any employee of Seller,

12.3.12 each and all or any of Indebtedness and Liens as defined in the Asset Purchase Agreement, and

12.3.13 liabilities for any and all other claims against Seller.

This Agreement is not intended to enlarge any rights of third parties under contracts or arrangements with Seller.

12.4 Other than executory obligations of Seller under the Orders in effect on the Commencement Date, Royal shall not assume or be responsible for any debts or liabilities of Seller and any and all obligations, duties and liabilities of Seller shall be the sole and complete responsibility of Seller, who shall indemnify, defend and hold harmless Royal on account thereof.

12.5 Royal agrees to defend, indemnify and hold Seller, its agents and employees harmless from and against all claims, actions, judgments, losses and expenses, including attorney fees, sustained or incurred by Seller, its agents or employees which arises or results from

EXHIBIT F

12.5.1 the performance, failure to perform or improper performance of work under this Agreement by Royal or any other breach by Royal of the terms and provisions of this Agreement

12.5.2 Royal's handling, storage or shipment of Products which conform to the Specifications,

12.5.3 any errors or omissions in any formula that was not part of the Intellectual Property for a Product provided to Seller by Royal as herein provided or the infringement or misappropriation of any third party's intellectual property rights relating to any formula provided hereunder.

12.6 Royal shall indemnify, defend, and hold Seller harmless from and against all claims, actions, losses, damages, and expenses by Royal's employees, agents, consultants or other Persons for injuries, illnesses and other damages incurred while in the employment of or performing services for Royal and at Royal's locations.

13.0 Insurance. During the term of this Agreement, and for a period of one (1) year thereafter, Seller agrees to maintain in full force and effect, at its own expense, Commercial General Liability and Excess Liability insurance (including but not limited to coverage for products liability and completed operations, independent contractors and broad form contractual liability), written on a "claims made" basis, naming Royal as additional insured. Royal shall provide reciprocal insurance coverage with respect to Seller's employees or agents, if any, providing services in Royal facilities, naming Seller as additional insureds. The insurance shall provide combined single limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. Seller shall maintain workers compensation insurance covering its employees as required by law. Each party shall provide proof of insurance and payment of premiums on reasonable request of the other.

14.0 Force Majeure.

14.1 Either party shall be excused for an inability to perform or a delay in performance when the inability or delay is due to any cause beyond its reasonable control, including but not limited to an act of God, storm, flood, earthquake, labor strike or other labor work stoppage, equipment failure, war, rebellion, riot, sabotage, fire, explosion, unforeseeable Raw Material shortage and government act or regulation.

14.2 The affected party shall promptly notify the other party of the occurrence of such a cause and specify its reasonable efforts to remove the cause of its inability to perform or delay in performance; provided, however, the affected party shall not be required to settle a labor dispute against its own best judgment.

14.3 If Seller is prevented by force majeure from supplying the Products ordered by Royal for a period of thirty (30) days, Royal shall have the right to terminate this Agreement or to obtain the Products from such source as Royal shall determine at in its sole discretion, or both.

14.4 The Tolling Fee payable pursuant to Section 3.0 shall be prorated for any period of time that Seller are temporarily or permanently unable to supply any material part of the Products in accordance with the terms of the Orders,

14.4.1 for any reason of force majeure, or

14.4.2 if for any reason the manufacturing capacity at any Facility is temporarily or permanently reduced to the extent that Seller is unable to fulfill its obligations to Royal under this Agreement in full.

EXHIBIT F

This Section 14.4 is without prejudice to any right or remedy which Royal may have under this Agreement for any failure by Seller to meet the requirements of any Order.

15.0 Termination.

15.1 This Agreement shall continue and be in force and effect for a period of three (3) months from the Commencement Date. Royal shall have the option to extend this Agreement for an additional term of three (3) months from and after the initial term, and may be further extended by the mutual written agreement of the parties. Royal shall provide notice of its intention to extend the term of this Agreement not later than thirty (30) days from the expiration of this Agreement. If this Agreement is extended beyond the initial term, Royal shall have the option to terminate this Agreement at any time upon thirty (30) days written notice to Seller.

15.2 If one party defaults in the performance of its duties and obligations under this Agreement, the non-defaulting party shall give written notice to the defaulting party specifying the basis of the default. If the defaulting party does not correct or cure the default within thirty (30) days after receiving notice of same, the non-defaulting party may be suspended until such breach is cured by the breaching party or this Agreement is terminated by giving written notice.

15.3 Either party may terminate this Agreement forthwith upon written notice to the other if the other party is declared bankrupt or insolvent or receivership proceedings are filed against or by it; or it makes a general assignment for the benefit of creditors; or it is dissolved or liquidated, except in consequence of a merger, acquisition, consolidation or other corporate reorganization; or it is ordered by competent authorities to suspend its operation for any reason whatsoever for a period in excess of ten (10) days. If either party hereto is involved in any of the events referred to in this paragraph, such party shall immediately notify the other party of the occurrence of such event.

15.4 Upon expiration or termination of this Agreement, Seller shall ensure that all Inventory, including Raw Materials and finished Products, is securely and properly packaged and labeled for shipment, and Seller shall deliver all Inventory to Royal pursuant to Section 8.1.

15.5 Upon expiration of this Agreement or receipt of notice of termination,

15.5.1 Seller will duly, and in good faith fulfill all Orders placed by Royal up to the date of the expiration of the notice of termination within the lead time set forth in Section 4.2, and

15.5.2 Seller will return to Royal all documents regarding the Products and their manufacture, including all Proprietary Information and Intellectual Property and all copies thereof and will make no further use of the Proprietary Information pursuant to the provisions of Section 10.4.

15.6 Termination of this Agreement shall not limit or affect the subsisting rights of either party at the date of termination, including obligations that cannot or are not intended to be performed until termination, and including the obligation of Seller contained in this Agreement in Sections 6.4, 6.5, 10.0 through 13.0, 15.4, 15.5, 17.1 17.5, 17.7 and 17.10 each of which shall continue according to its terms.

16.0 Notice. Any notice or consent to be given under this Agreement shall be in writing and sent by first class US mail, nationally-recognized overnight courier service or delivered by hand in accordance with notice requirements in the Asset Purchase Agreement. Such notice shall be deemed to be received within three (3) working days of posting by registered mail or immediately upon receipt if delivered by hand.

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EXHIBIT F

17.0 Miscellaneous Provisions.

17.1 Seller shall not supply Products to any party other than Royal, or as directed by Royal, and shall manufacture quantities of Products only against Orders for Products placed by Royal in accordance with the terms of this Agreement.

17.2 Seller is an independent contractor engaged by Royal to perform services under this Agreement and neither Seller is hereby authorized to act as an agent of Royal for any purposes whatsoever. The manufacture of the Products will at all times be under the exclusive control and responsibility of Seller.

17.3 Seller shall neither assign nor sub-contract its obligations hereunder without the express written consent of Royal. Royal may assign this Agreement and its rights and obligations hereunder to any Affiliate that shall assume Royal's obligations hereunder, provided Royal shall give Seller thirty (30) days prior written notice of such assignment and assumption.

17.4 The failure of either party at any time to enforce any provision of this Agreement, to exercise its rights under any provision, or to require a certain performance of any provision, shall in no way be construed as a waiver of such provision, nor in any way affect the validity of this Agreement or the right of the party thereafter to enforce each and every provision. If any provision of this Agreement shall be held unenforceable or invalid, the remaining provisions shall continue in force.

17.5 This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana.

17.6 This Agreement may not be amended or any provision thereof waived unless by a writing signed by the parties; and shall be binding upon and inure to the benefit of the parties and their respective heirs, assigns, successors and legal representatives; and shall, as to Seller, not be assigned without the prior consent of Royal.

17.7 Any and all disputes arising under this Agreement shall be resolved by the parties pursuant to the processes, procedures and terms of the Asset Purchase Agreement, which processes, procedures and terms are incorporated in this Agreement as though set forth in their entirety.

17.8 The headings of the Sections contained in this Agreement are for convenience of reference only and do not form a part hereof.

17.9 This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same Agreement, and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties.

17.10 Seller and Royal agree to perform such additional acts and execute and/or deliver such further documents as may be necessary to fully effect the transactions contemplated by this Agreement.

IN WITNESS WHEREOF, Seller and Royal have caused this Agreement to be duly executed and delivered in its name and on its behalf, all as of the day and year first above written.

ATTEST:

SELLER:
INDUSTRIAL ADHESIVE, INC.

Manuel Belbis, President

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EXHIBIT F

ATTEST:

**ROYAL:
ROYAL ADHESIVES AND SEALANTS
LLC**

Theodore M. Clark, CEO

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EXHIBIT F

SCHEDULE 1
PRODUCTS

Industrial Adhesive – Royal Tolling and Support
053007A

TRADEMARK
REEL: 003675 FRAME: 0516

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EXHIBIT F

SCHEDULE 2
ROYAL CONDITIONS OF PURCHASE
As of January, 2005
Copy Attached

Industrial Adhesive – Royal Tolling and Support
053007A

TRADEMARK
REEL: 003675 FRAME: 0517

CONDITIONS OF PURCHASE

Seller by accepting this order agrees to the following:

1. The within purchase order and these conditions together with any other documents expressly incorporated into the foregoing contain the entire offer by Buyer to Seller and there are no prior or contemporaneous oral or written understandings or agreements binding on Buyer affecting the subject matter of the within order other than those expressly referred to therein. No agreement, other understanding, or acknowledgement, invoice, or other form used by Seller, in any way purporting to modify or alter the provisions of the contract resulting from acceptance by Seller of the within order will be binding upon Buyer unless made in writing and signed by Buyer's authorized representative.

In the event Seller takes exception to and/or wishes to add any terms or conditions to this order, Seller shall contact the signer of this order immediately and shall not proceed with this order unless or until mutual agreement has been achieved.

2. Seller warrants that goods or services furnished hereunder shall conform to approved samples or specifications, if any, and shall be free from defect in workmanship and material. All such goods and work shall be subject to inspection and to rejection by Buyer for breach of warranty within a reasonable time after receipt of completion, as the case may be, but all warranties by Seller shall survive any inspection and/or acceptance of the goods or work by Buyer. Seller shall not replace defective goods without the prior written consent of Buyer.

3. Seller shall hold and save harmless Buyer, its officers, agents, employees and transferees from liability of any nature or kind, under United States Letters Patent, including costs and expenses, for or on account of the use, sale or lease of any invention or patented or unpatented article or appliance furnished or used hereunder, including the use or disposal of the said items for their intended purpose by or on behalf of Buyer. Seller, by its counsel and at its expense, shall assume and defend all claims, demands and suits for infringement of any patent against Buyer, its officers, agents and employees within the scope of the undertakings of the seller in the preceding sentence. Seller's obligations hereunder shall not apply to any invention, article or appliance manufactured to Buyer's detailed design.

4. Seller shall hold and save harmless Buyer, its officers, agents, employees and transferees from liability of any nature or kind, including costs and expenses, for or on account of any infringement or claim of infringement of any copyrighted matter arising from the intended use of goods or services furnished hereunder. Seller by its counsel and at its expense shall assume and defend all claims, demands and suits for infringement of any copyrighted matter against Buyer, its officers, agents and employees within the scope of Seller's undertakings in the preceding sentence.

5. Failure or indulgence of buyer to insist on strict performance or observance by Seller of the within order or of these conditions or the rights of Buyer in any one or more instances shall not constitute a waiver by Buyer of such performance, conditions or rights in any other instance or instances or for the future.

6. Seller represents and warrants that the goods or services furnished hereunder were produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the Department of Labor issued under Section 14 thereof.

7. The Equal Opportunity Clause of Section 1.4 of the Rules and Regulations of the Office of Federal Contract Compliance Programs related to Executive Order 11246, the Affirmative Action Clause of Section 741.4 of the rules and Regulations of the Office of Federal Contract Compliance Programs related to Affirmative Action Programs for Handicapped Persons, and the Affirmative Action Clause of Section 250.1 of the Rules and Regulations of the Office of Federal Contract Compliance Programs related to Affirmative Action Regulations for Veterans of the Vietnam Era are hereby incorporated by reference.

8. Seller represents and warrants that the goods or services furnished hereunder (including all labels, packages and containers for said goods) comply with all applicable standards, rules and regulations in effect under the Williams-Steiger Occupational Safety and Health Act of 1970 with respect to design, construction, manufacture or use for their intended purpose of said goods or services.

9. Seller represents and warrants that the prices charged for the goods or services covered by this order are and will continue to be the lowest prices charged by Seller to buyers of a class similar to Buyer under conditions similar to those specified in this order and that the prices comply with all applicable governmental laws and regulations in effect at time of quotation, sale or delivery. Seller agrees to make any price rebate which the foregoing representation and warranty may require.

10. Buyer at its option may return any goods which are defective, unsatisfactory, or of inferior quality or workmanship, or fail to meet the specifications or other requirements of this order, at Seller's risk and expense; and Seller shall reimburse Buyer for all prior payments therefore and/or costs incurred in connection with delivery or return of such goods.

11. Buyer shall in no event be liable to Seller for special, contingent or consequential damages.

12. A waiver by Buyer of a breach of any provision hereof by Seller shall not be a waiver of any other breach of such provision or of any other provision hereof.

13. Buyer may at any time terminate this contract or any part hereof with respect to goods or services specified for delivery or performance more than thirty (30) days after the date hereof by giving written notice to Seller of such termination. In the event of termination, and provided Seller is not in default hereunder, Buyer shall be liable, subject to Condition 11 above, for damages suffered by Seller by reason of such termination but not exceeding the contract price specified in this order and in no event including any anticipated profit on work not performed or goods not furnished.

14. All specifications, drawings, blueprints, photostats and all other information furnished to the Seller in connection with this order are, and shall remain, the property of Buyer. Seller will keep the same confidential and will not use or reproduce the same except for the performance of this order, and on completion or termination of this order or upon the written demand of Buyer, Seller will return the same and any and all copies thereof. Buyer reserves the right to withhold payment of the final invoice until such return is made and received.

15. Any delays or failure by Buyer in the performance of this Agreement shall be excused if such delay or failure arises out of causes beyond the control and without fault or negligence of Buyer, including but not limited to decrees or restraint of Government, acts of God, strikes, labor "holidays" and/or coercive action of workmen, fire, flood, windstorm, explosion, civil disturbances, riots, war, sabotage, and any cause whether similar or dissimilar to any of those named above beyond the reasonable control of Buyer, provided that prompt written notice of such delay is given to the Seller.

16. Any notice of assignment of the proceeds of this purchase order must be written and delivered to the person whose signature appears on the front of this order. Affected invoices must carry appropriate notations.

Rev. 10/96

TRADEMARK
REEL: 003675 FRAME: 0518

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EXHIBIT F

**SCHEDULE 3
EMPLOYEE CONFIDENTIALITY AGREEMENT**

**Industrial Adhesive – Royal Tolling and Support
053007A**

**TRADEMARK
REEL: 003675 FRAME: 0519**

**INDUSTRIAL ADHESIVE CO.
CONFIDENTIALITY AGREEMENT**

I, _____, understand that it is the policy of Industrial Adhesive Co. (the "Company") that all information relating to the Company and its owners and subsidiary companies, or to the products, assets, liabilities, customers, suppliers, personnel and business practices of the Company and its customers be maintained in strict confidence.

In consideration of my employment and the compensation paid to me by the Company, I agree as follows:

1. For the purposes of this Agreement, "Confidential Business Information" shall include, but not be limited to, information owned by the Company or its customers, including Royal Adhesives and Sealants LLC, whether privileged or not, included in all customer lists, employee lists, formulae, drawings, processes and process parameters, data, observations, manufacturing techniques, testing criteria and methodology, methods, practices, fabrication techniques, computer data bases, software programs, codes, designs, plans, proposals, marketing and sales plans, distribution channels and methods, financial and statistical information, costs, pricing information, supplier identification, raw materials, test results, plant layout, samples and specimens and all techniques, concepts or ideas in or reasonably related to the business of the Company, whether in the form of documents or things or both. Confidential Business Information includes, in particular all such information relating to the Basic Adhesives Industrial Product Line and other products made by Company for Royal Adhesives and Sealants LLC

2. I will regard and preserve as confidential all Confidential Business Information, which may be obtained by me as a result of my employment. I will not use any Confidential Business Information for my own benefit or purposes. I will not disclose or deliver Confidential Business Information to others, either during my employment or thereafter, except as required as part of my duties during my employment with the Company. I will not take or retain or copy any of the Company's documents or things which contain or include Confidential Business Information whether or not designated or marked "CONFIDENTIAL".

3. I agree that all documents, samples or materials made by me solely or jointly with others during my employment with the Company, or which come into my possession by reason of my employment are the exclusive property of the Company or its customers, including Royal Adhesives and Sealants LLC

4. I agree that upon termination of my employment, I will return to the Company all documents in my possession or control which contain any Confidential Business Information, including but not limited to all original documents and copies of documents, electronic or otherwise.

5. I acknowledge that my complying with the terms of this Confidentiality Agreement is a condition of my continued employment, and if I breach this Agreement in any way, including misuse, misappropriation, or disclosure of Confidential Business Information, I will be subject to disciplinary action up to and including termination of employment and such breach could subject me to personal liability for the consequences of my conduct even after termination.

6. I understand and agree that nothing in this Confidentiality Agreement shall modify my status as an at will employee of Company.

7. The provisions of this Agreement shall be binding on my heirs, personal representatives, successors, and assigns and inure to the benefit of the personal representatives, successors, shareholders, subsidiaries, affiliated corporations, or ventures and assignees of the Company.

8. The Agreement is entered into in the State of New York and shall be construed and interpreted in accordance with its laws.

9. I ACKNOWLEDGE THAT I HAVE READ THIS AGREEMENT AND HAVE BEEN GIVEN A COPY OF IT. I HAVE BEEN GIVEN AN OPPORTUNITY TO DISCUSS THIS AGREEMENT WITH MY EMPLOYER AND ALL QUESTIONS I HAVE HAD HAVE BEEN EXPLAINED TO ME TO MY SATISFACTION. I UNDERSTAND THE MEANING AND SIGNIFICANCE OF THIS AGREEMENT AND AGREE TO ITS TERMS AS A CONDITION OF EMPLOYMENT.

Date: _____

Signature of Employee

Confidentiality Agreement – Employee

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EXHIBIT G**

COMMISSION AGREEMENT

THIS COMMISSION AGREEMENT (this "Agreement") is made and entered into as of this ___ day of _____, 2007, by and between Industrial Adhesives, Inc., an Illinois corporation with offices at 130 N. Campbell Ave., Chicago, Illinois 60612 ("IAC"); and Royal Adhesives And Sealants, LLC, a Delaware limited liability company with offices at 2001 W. Washington Street, South Bend, Indiana 46628 ("Royal").

WHEREAS, IAC has developed and released for sale to Hallmark Corporation of Kansas City, MO ("Hallmark") new products provisionally called "Coating H" and "Gloss Coat".

WHEREAS, IAC has sold and transferred outright all its right, title and interest in and to its adhesives business (the "Business") to Royal pursuant to an Asset Purchase Agreement dated _____, 2007, including the Intellectual Property useful or required to make, use and sell the New Products.

WHEREAS, in connection with the sale of the Business and as partial consideration for entering into the Asset Purchase Agreement, IAC and Royal have agreed to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1.0 In this Agreement, all capitalized terms shall have the same meaning as those terms are defined in the Asset Purchase Agreement and in addition, the following terms shall have the following meanings:

1.1 "Commencement Date" is the first day of the calendar month during which a sale of any New Product is first made, or the first day of the calendar month that is twelve (12) months following the Closing Date, whichever first occurs.

1.2 "Net Sales" means Royal's sales price of New Products actually billed to and received from Hallmark but not including distributor discounts or commissions paid to third party sales representatives, and not including other charges not included in unit prices of New Products to Hallmark such as charges for freight, special packing, warehousing charges, trade discounts taken, returns and allowances, adjustments for customer relations, credits, insurance, duties, costs, state and local taxes.

1.3 "New Products" means the Products provisionally identified as "Coating H" and "Gloss Coat" which are described with more particularity on Schedule 1.3, attached hereto and made a part hereof.

2.0 Commission. Beginning with the Commencement Date and continuing for a period of thirty-six (36) months thereafter, Royal shall pay to IAC a commission of three percent (3%) of the Net Sales of Coating H to Hallmark and a commission of one percent (1%) of the Net Sales of Gloss Coat to Hallmark. Not later than ninety (90) days after each year of the term of this Agreement, Royal shall provide IAC with a schedule identifying all sales of New Products invoiced to and paid by Hallmark together with a check in payment for commissions then due.

4.0 Term and Termination. This Agreement shall become effective on the Commencement Date and shall continue for a period of thirty-six (36) calendar months after which this Agreement, and all rights and obligations of the parties hereunder shall terminate; provided, however, this Agreement may be terminated earlier as provided herein.

4.1 This Agreement may be terminated by the mutual written consent of each of IAC and Royal;

4.2 Royal may terminate this Agreement if any party to any of the Related Agreements is in default of such agreement and such default continues for more than fifteen (15) days after written notice thereof is given to IAC.

4.3 Either party may terminate this Agreement forthwith upon written notice to the other if the other party is declared bankrupt or insolvent or receivership proceedings are filed against or by it; or it makes a general assignment for the benefit of creditors; or it is dissolved or liquidated, except in consequence of a merger, acquisition, consolidation or other corporate reorganization; or it is ordered by competent authorities to suspend its operation for any reason whatsoever for a period in excess of ten (10) days. The rights conferred on a party pursuant to this paragraph are permissive to that party and are not mandatory. If either party hereto is involved in any of the events referred to in this paragraph, such party shall immediately notify the other party of the occurrence of such event.

5.0 Miscellaneous.

5.1 This Agreement shall be governed by the internal laws of the State of Indiana without giving effect to the conflict of law principles thereof.

5.2 Neither party shall be liable for failure to fulfill its obligations hereunder, or for delays in performance, due to causes beyond its reasonable control, including, but not limited to, acts of God, acts or omissions of civil or military authority, fires, strikes, floods, epidemics, riots or acts of war.

5.3 The parties hereto are independent contractors and nothing in this Agreement is intended to, nor shall it, create any agency, partnership or joint venture relationship between them. Neither party to this Agreement, nor any of its officers, directors, employees or agents, shall have the right or authority to bind or otherwise obligate the other party hereto in any way as a consequence of this Agreement.

5.4 This Agreement sets forth the entire agreement between the parties hereto with respect to the subject matter hereof and is intended to supersede all prior negotiations, understandings and agreements. No provision of this Agreement may be waived or amended, except by a writing signed by the parties hereto.

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

5.6 The failure of either party to exercise any right or remedy provided for herein shall not be deemed a waiver of any right or remedy hereunder.

5.7 If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or otherwise unenforceable, such determination shall not affect the validity or enforceability of any remaining provisions of this Agreement. If any provision of this Agreement is invalid under any applicable statute or rule of law, it shall be enforced to the maximum extent possible so as to effect the intent of the parties, and the remainder of this Agreement shall continue in full force and effect.

5.8 Any and all notices or other communications hereunder shall be sufficiently given if in writing and sent by hand, facsimile, reputable overnight courier or by certified mail, return receipt requested, postage prepaid, addressed to the party to receive the same at its address as set forth above, or to such other address as the party to receive the same shall have specified by written notice given in the manner provided for in this Section 5.8. Such notices or other communications shall be deemed to have been given on the date of such delivery. Either party may change its address for the purpose of this Agreement by notice to the other party given as aforesaid.

5.9 This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

5.10 The section headings used herein are for the convenience of the parties only, are not substantive and shall not be used to interpret or construe any of the provisions contained herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first set forth above.

IAC
INDUSTRIAL ADHESIVES, INC.

ROYAL
ROYAL ADHESIVES AND SEALANTS, LLC

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE 1.3

NEW PRODUCTS

Coating H means that product manufactured according to the following formulation:

Gloss Coat means that product manufactured according to the following formulation:

**DRAFT
EXHIBIT H**

WORKING CAPITAL ESCROW AGREEMENT

This ESCROW AGREEMENT (this "Agreement") is entered into as of _____, 2007, by and between INDUSTRIAL ADHESIVE, INC., an Illinois corporation having its offices at 130 N. Campbell Ave., Chicago, Illinois 60612 ("Seller") and ROYAL ADHESIVES AND SEALANTS, LLC, a Delaware limited liability company having an address at 2001 W. Washington Street, South Bend, Indiana 46628 (the "Buyer"); and JPMORGAN CHASE BANK, N.A., a national banking association having an address at 4 New York Plaza, 21st Floor, New York, New York 10004 ("JPMorgan Chase Bank, N.A." or the "Escrow Agent").

WHEREAS, the Buyer and Seller have entered into an Asset Purchase Agreement, dated as of _____, 2007 (the "Asset Purchase Agreement"), and under the terms of Section 2.3(a) of said Agreement, an escrow fund has been or will be created to indemnify the Buyer for certain losses that may occur after the Closing Date of the proposed purchase.

It is agreed as follows:

1. **Definitions.** All capitalized terms used herein and not defined shall have the meaning assigned to them in the Asset Purchase Agreement.
2. **Escrow Fund; Escrow Agent.** Seller and the Buyer hereby appoint JPMorgan Chase Bank, N.A., as the Escrow Agent under this Agreement, and the Escrow Agent hereby accepts such appointment and agrees to assume and perform the duties of the escrow agent in accordance with the terms and conditions set forth herein. On the Closing Date, provided this Agreement has been executed by the parties to it, the Buyer, without any act of the Seller, shall deposit or cause to be deposited with JP Morgan Chase Bank, N.A., New York, as the Escrow Agent, the amount of Twenty-five Thousand Dollars (\$25,000) as specified in Section 2.3(a) of the Asset Purchase Agreement., such deposit to constitute an escrow fund (the "Escrow Fund"). The Escrow Agent will hold and dispose of the Escrow Fund in accordance with the terms and instructions of this Agreement. After complying with the terms of this Agreement, the Buyer will be entitled to obtain reimbursement from the Escrow Fund for differences in Working Capital determinations as defined in the Asset Purchase Agreement. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no duties shall be implied.
3. **Escrow Period.** The Escrow Fund will remain in existence until one year after the Closing Date, plus any extension periods permitted by the terms of this Agreement (the "Escrow Termination Date"); provided, however, that the Escrow Fund shall be extended and shall not terminate with respect to any amount which, in the reasonable good faith judgment of the Buyer, subject to objection of the Seller and the subsequent resolution in the manner provided in Paragraph 11.3 of this Agreement, is necessary to satisfy any then pending and unsatisfied claims specified in a Buyer's Certificate (as defined below) delivered to the Escrow Agent prior to 5 p.m. New York time on the Escrow Termination Date with respect to facts and circumstances existing prior to the Escrow Termination Date. As soon as all such claims have been resolved (the period from Closing to such time being referred in this Agreement to as the "Escrow Period"), Seller and the Buyer shall deliver to the Escrow Agent a joint written distribution instruction and the Escrow Agent shall deliver to the Seller the remaining portion of the Escrow Fund, if any, not required to satisfy such claims.
4. **Notice.** Any notices or other communications to the Seller or Buyer required or permitted pursuant to the terms of this Agreement will be sufficiently given if sent by as provided in the

Asset Purchase Agreement. However, all communications hereunder to the Escrow Agent shall be in writing and shall be deemed to be duly given and received:

- (i) upon delivery if delivered personally or upon confirmed transmittal if by facsimile;
- (ii) on the next Business Day (as hereinafter defined) if sent by overnight courier; or
- (iii) four (4) Business Days after mailing if mailed by prepaid registered mail, return receipt requested, to the appropriate notice address set forth on Schedule 1 or at such other address as any party hereto may have furnished to the other parties in writing by registered mail, return receipt requested.

Notwithstanding the above, in the case of communications delivered to the Escrow Agent pursuant to (ii) and (iii) of this Section 4, such communications shall be deemed to have been given on the date received by the Escrow Agent. In the event that the Escrow Agent, in its sole discretion, shall determine that an emergency exists, the Escrow Agent may use such other means of communication as the Escrow Agent deems appropriate. "Business Day" shall mean any day other than a Saturday, Sunday or any other day on which the Escrow Agent located at the notice address set forth on Schedule 1 is authorized or required by law or executive order to remain closed.

5. Standard of Care. Escrow Agent shall not be held liable for any action taken or omitted under this Agreement, so long as it shall have acted in good faith and without gross negligence. Subject to the prior satisfaction of any rights of the Buyer to reimbursement from the Escrow Fund, the Escrow Agent may recover from the Escrow Fund at the end of the Escrow Period payments not yet made by the other parties hereto for any fees and expenses incurred in connection with the performance by the Escrow Agent of its duties under this Agreement including insurance fees and expenses of legal counsel retained by the Escrow Agent for any matters arising under this Agreement. The Escrow Agent may execute any of its powers and perform any of its duties hereunder directly or through agents or attorneys (and shall be liable only for the careful selection of any such agent or attorney) and may consult with counsel, accountants and other skilled persons to be selected and retained by it. The Escrow Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons. The Escrow Agent shall have no liability under and no duty to inquire as to the provisions of any agreement other than this Agreement. The Escrow Agent may rely upon and shall not be liable for acting or refraining from acting upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document.

6. Investment of Escrow Funds. The Escrow Agent will hold and safeguard the Escrow Fund during the Escrow Period for the benefit of the Buyer and Seller in accordance with the terms of this Agreement. The Escrow Fund will be invested in United States government obligations or other interest-bearing securities as directed in a writing signed jointly by Seller and the Buyer. Any interest or other income received by the Escrow Agent with respect to cash or other property held in the Escrow Fund will be added to the Escrow Fund. In the event the Escrow Agent does not receive any investment instructions, the Escrow Agent shall invest the funds in a money market deposit account. Receipt, investment and reinvestment of the Escrow Fund and interest or income thereon shall be confirmed by the Escrow Agent as soon as practicable by account statements delivered to the Buyer and Seller.

7. Distributions to Buyer From Escrow Fund. Upon receipt by the Escrow Agent on or before the Escrow Termination Date of a certificate ("Buyer's Certificate") signed by the president or any vice president of the Buyer,

(a) Stating that the Buyer and/or an Affiliate of the Buyer has paid or properly incurred or accrued or reasonably anticipates that it may have to pay, incur or accrue damages, losses, or expenses for which the Buyer or its Affiliate is entitled to reimbursement pursuant to this Agreement, in an aggregate stated amount, and

(b) Specifying in reasonable detail each individual item of damage, loss, or expense included in the aggregate amount so stated, the date each item was paid or properly accrued or the basis for any anticipated liability, and the nature of the misrepresentation, breach of warranty, or claim to which each item is related,

the Escrow Agent will, subject to the provisions of Paragraphs 8 and 9 of this Agreement, distribute to the Buyer or its subsidiary, as promptly as practicable, cash or other property from the Escrow Fund to reimburse the Buyer or its Affiliate for the stated damages, losses, or expenses.

8. Objections to Distributions. At the time of delivery of a Buyer's Certificate to the Escrow Agent, a duplicate copy of the certificate will be delivered to Seller, and for a period of 30 days after delivery of the duplicate copy, the Escrow Agent will make no distribution pursuant to Paragraph 7 of this Agreement unless the Escrow Agent has received written authorization from Seller to make the distribution. After the expiration of the 30-day period, the Escrow Agent may distribute cash or other property in accordance with Paragraph 7 of this Agreement, provided that no such distribution may be made to which Seller has objected in a written statement delivered to the Escrow Agent by 5:00 p.m. on the final day of such expiration of the 30-day period. In the event that a Buyer's Certificate is received by the Escrow Agent before 5 p.m. New York time on the Escrow Termination Date, the Escrow Agent shall wait for the expiration of the 30-day period before disbursing the funds in question.

9. Settlement of Disputed Claims; Arbitration. If Seller objects in writing to the payment to the Buyer or its Affiliate for any claim made in any Buyer's Certificate, Seller and the Buyer will attempt in good faith to agree on the rights of the respective parties regarding each disputed claim. If Seller and the Buyer do so agree, a memorandum setting forth the agreement will be prepared and signed by both parties and will be given to the Escrow Agent. The Escrow Agent will be entitled to rely on any such memorandum, and may make distributions from the Escrow Fund in accordance with the terms of the memorandum. If no such agreement can be reached after good faith negotiation within 30 days from the end of the notice period in Paragraph 8 of this Agreement, either the Buyer or Seller may demand arbitration of the matter; and in such event the American Arbitration Association will be asked to appoint one arbitrator to rule on the matter, such appointment to be in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. Any such arbitration will be held in New York, NY. The decision of the arbitrator about the validity of any claim in a Buyer's Certificate will be binding and conclusive on the parties to this Agreement; and despite anything in Paragraph 7 of this Agreement, the Escrow Agent will be entitled to make or withhold distributions from the Escrow Fund or otherwise act in accordance with the arbitrator's decision. Each party to the arbitration will pay its own expenses, and the fee of the arbitrator and the administrative fee of the American Arbitration Association will be paid one half by the Buyer and one half by Seller. Judgment on any award rendered by the arbitrator may be entered in any court having jurisdiction over the matter. In the event that the Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any party hereto which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be directed otherwise in writing by all of the other parties hereto, an arbitration order, or by a final order or judgment of a court of competent jurisdiction. In no event shall Escrow Agent be a party to any arbitration, but shall rely and follow on any arbitration order.

10. **Final Distributions of Escrow Fund.** Promptly after the Escrow Termination Date, the Escrow Agent will distribute to the Seller all funds then remaining in the Escrow Fund, including any interest, except an amount of cash or other property sufficient, in the judgment of the Escrow Agent to satisfy any unsatisfied claims specified in any Buyer's Certificate previously delivered to the Escrow Agent which shall be pending pursuant to Seller's written obligation delivered pursuant to Section 8 hereof and any fees and expenses incurred but not yet paid for the Escrow Agent. As soon as all claims have been resolved, promptly after termination of the Escrow Period, the Escrow Agent will distribute to the Seller all cash or other property then remaining in the Escrow Fund not required to satisfy those claims and the unpaid fees and disbursements of the Escrow Agent.

11. **Indemnification/Consequential Damages.** The Buyer and the Seller shall jointly and severally indemnify, defend and save harmless the Escrow Agent and its directors, officers, agents and employees (the "indemnitees") from all loss, liability or expense (including the fees and expenses of in house or outside counsel) arising out of or in connection with (i) the Escrow Agent's execution and performance of this Agreement, except in the case of any indemnitee to the extent that such loss, liability or expense is due to the gross negligence or willful misconduct of such indemnitee, or (ii) its following any instructions or other directions from the Buyer or the Seller, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof. The parties hereto acknowledge that the foregoing indemnities shall survive the resignation or removal of the Escrow Agent or the termination of this Agreement. The parties hereby grant the Escrow Agent a lien on, right of set-off against and security interest in the Escrow Fund for the payment of any claim for indemnification, compensation, expenses and amounts due hereunder. Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

12. **Account Opening Information.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When an account is opened, Escrow Agent will ask for information that will allow it to identify relevant parties.

The Buyer and the Seller each represent that its correct Taxpayer Identification Number ("TIN") assigned by the Internal Revenue Service ("IRS") or any other taxing authority is set forth in Schedule 1. Upon execution of this Agreement, the Buyer and Seller shall provide the Escrow Agent with a fully executed W-8 or W-9 IRS form, which shall include the Buyer's and Seller's TIN. In addition, all interest or other income earned under this Agreement shall be allocated and/or paid as directed in a joint written direction of the Buyer and the Seller and reported by the recipient to the Internal Revenue Service or any other taxing authority. Notwithstanding such written directions, Escrow Agent shall report and, as required withhold any taxes as it determines may be required by any law or regulation in effect at the time of the distribution. In the absence of timely direction, all proceeds of the Escrow Fund shall be retained in the Escrow Fund and reinvested from time to time by the Escrow Agent as provided in Section 3. In the event that any earnings remain undistributed at the end of any calendar year, Escrow Agent shall report to the Internal Revenue Service or such other authority such earnings as it deems appropriate or as required by any applicable law or regulation or, to the extent consistent therewith, as directed in writing by the Buyer and the Seller. In addition, Escrow Agent shall withhold any taxes it deems appropriate and shall remit such taxes to the appropriate authorities.

13. **Security Procedures.** In the event funds transfer instructions are given (other than in writing at the time of execution of this Agreement, as indicated in Schedule 1 attached hereto), whether in writing, by telecopier or otherwise, the Escrow Agent is authorized to seek confirmation of such instructions by telephone call-back to the person or persons designated on schedule 2 hereto ("Schedule

2"), and the Escrow Agent may rely upon the confirmation of anyone purporting to be the person or persons so designated. The persons and telephone numbers for call-backs may be changed only in a writing actually received and acknowledged by the Escrow Agent. If the Escrow Agent is unable to contact any of the authorized representatives identified in Schedule 2, the Escrow Agent is hereby authorized to seek confirmation of such instructions by telephone call-back to any one or more of your executive officers, ("Executive Officers"), which shall include the titles of president or vice president, as the Escrow Agent may select. Such Executive Officer shall deliver to the Escrow Agent a fully executed Incumbency Certificate, and the Escrow Agent may rely upon the confirmation of anyone purporting to be any such officer. The Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by the Buyer or the Seller to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank. The Escrow Agent may apply any of the escrowed funds for any payment order it executes using any such identifying number, even when its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. The parties to this Agreement acknowledge that these security procedures are commercially reasonable.

14. **General.** The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. This Agreement shall be governed by and construed under the laws of the State of New York. Each party hereto irrevocably waives any objection on the grounds of venue, forum non-conveniens or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the jurisdiction of the courts located in the State of New York. The parties further hereby waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising or relating to this Agreement. No party to this Agreement is liable to any other party for losses due to, or if it is unable to perform its obligations under the terms of this Agreement because of, acts of God, fire, floods, strikes, equipment or transmission failure, or other causes reasonably beyond its control. 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. This Agreement and any affidavit, certificate, instrument, agreement or other document required to be provided hereunder may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument. Unless the context shall otherwise require, the singular shall include the plural and vice-versa, and each pronoun in any gender shall include all other genders. The terms and provisions of this Agreement constitute the entire agreement among the parties hereto in respect of the subject matter hereof, and neither the Buyer, Seller, nor the Escrow Agent has relied on any representations or agreements of the other, except as specifically set forth in this Agreement. This Agreement or any provision hereof may be amended, modified, waived or terminated only by written instrument duly signed by the parties hereto. Notwithstanding any other provision of this Escrow Agreement, Buyer may assign its rights, duties, and obligations hereunder (i) to its financing sources; (ii) to any direct or indirect wholly owned Subsidiary or to any Affiliate of which Buyer is a direct or indirect wholly-owned Subsidiary; and (iii) in connection with the sale or transfer by Buyer of all or substantially all of its capital stock and/or assets. Escrow Agent shall be notified of any assignment of rights under this agreement and Escrow Agent may ask for further documentation from Buyer's its financing sources, subsidiary, or Affiliate to comply with Patriot Act regulations, tax reporting purposes, or to fulfill any of its obligations under this Agreement. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, devisees, executors, administrators, personal representatives, successors, trustees, receivers and permitted assigns. This Agreement is for the sole and exclusive benefit of the Buyer, Seller and the Escrow Agent, and nothing in this Agreement, express or implied, is intended to confer or shall be construed as conferring upon any other person any rights, remedies or any other type or types of benefits.

In witness whereof, each of the parties has caused this Agreement to be executed on its behalf by its duly authorized officers, all as of the day and year first above written.

Address: **INDUSTRIAL ADHESIVE, INC.**

130 N. Campbell Ave.
Chicago, Illinois 60612

By: _____
Name: Manuel Belbis
Title: President

Address: **ROYAL ADHESIVES AND SEALANTS, LLC**

2001 W. Washington Street
South Bend, Indiana 46628

By: _____
Name:
Title:

Address: **JPMORGAN CHASE BANK, N.A.**

4 New York Plaza, 21st Floor _____
New York, NY 10004

Attn: Larissa Urcia/ Joe Morales

Facsimile: 212-623-6380

By: _____
Name:
Title:

Schedule 1

Name of Buyer: Royal Adhesives and Sealants, LLC

Buyer Notice Address: 2001 W. Washington Street, South Bend, Indiana 46628

Buyer TIN:

Wiring Instructions:

Name of Seller: Industrial Adhesive, Inc.

Seller Notice Address: 130 N. Campbell Ave., Chicago, Illinois 60612

Seller TIN:

Wiring Instructions:

(a) Escrow Deposit: \$60,000

Investment:

[specify]

JPMorgan Chase Bank Money Market Account;

A trust account with JPMorgan Chase Bank;

A money market mutual fund, including without limitation the JPMorgan Fund or any other mutual fund for which the Escrow Agent or any affiliate of the Escrow Agent serves as investment manager, administrator, shareholder servicing agent and/or custodian or subcustodian, notwithstanding that (i) the Escrow Agent or an affiliate of the Escrow Agent receives fees from such funds for services rendered, (ii) the Escrow Agent charges and collects fees for services rendered pursuant to this Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Escrow Agent or its affiliates.

Such other investments as Buyer, Seller and Escrow Agent may from time to time mutually agree upon in a writing executed and delivered by the Buyer and the Seller and accepted by the Escrow Agent.

Escrow Agent's compensation: \$2,500.00 per annum without pro-ration for partial years

**Telephone Number(s) for Call-Backs and
Person(s) Designated to Instruct and Confirm Funds Transfer Instructions**

If to Buyer:

	<u>Name</u>	<u>Telephone Number</u>	<u>Signatures</u>
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

If to Seller:

	<u>Name</u>	<u>Telephone Number</u>	<u>Signatures</u>
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

Telephone call-backs shall be made to each Buyer and Seller if joint instructions are required pursuant to this Agreement.

If only one party may confirm or instruct funds transfers:

Periodically, you issue payment orders to us to transfer funds by federal funds wire. We review the orders to determine compliance with the governing documentation and to confirm signature by the appropriate party, in accordance with the incumbency list previously supplied to us. Bank policy requires that, where practicable, we undertake callbacks to a party other than the individual who signed the payment order to verify the authenticity of the payment order.

Inasmuch as you are the only employee in your office who can confirm and instruct wire transfers in accordance with the Escrow Agreement, we will call you to confirm any federal funds wire transfer payment order purportedly issued by you. Your continued issuance of payment orders to us and confirmation in accordance with this procedure will constitute your agreement (1) to the callback security procedure outlined herein and (2) that the security procedure outlined herein constitutes a commercially reasonable method of verifying the authenticity of payment orders. Moreover, you agree to accept any risk associated with a deviation from this bank policy.

**DRAFT
EXHIBIT I**

PURCHASE PRICE ESCROW AGREEMENT

This ESCROW AGREEMENT (this "Agreement") is entered into as of _____, 2007, by and between INDUSTRIAL ADHESIVE, INC., an Illinois corporation having its offices at 130 N. Campbell Ave., Chicago, Illinois 60612 ("Seller") and ROYAL ADHESIVES AND SEALANTS, LLC, a Delaware limited liability company having an address at 2001 W. Washington Street, South Bend, Indiana 46628 (the "Buyer"); and JPMORGAN CHASE BANK, N.A., a national banking association having an address at 4 New York Plaza, 21st Floor, New York, New York 10004 ("JPMorgan Chase Bank, N.A." or the "Escrow Agent").

WHEREAS, the Buyer and Seller have entered into an Asset Purchase Agreement, dated as of _____, 2007 (the "Asset Purchase Agreement"), and under the terms of Section 2.3(b) of said Agreement, an escrow fund has been or will be created to indemnify the Buyer for certain losses that may occur after the Closing Date of the proposed purchase.

It is agreed as follows:

1. **Definitions.** All capitalized terms used herein and not defined shall have the meaning assigned to them in the Asset Purchase Agreement.
2. **Escrow Fund; Escrow Agent.** Seller and the Buyer hereby appoint JPMorgan Chase Bank, N.A., as the Escrow Agent under this Agreement, and the Escrow Agent hereby accepts such appointment and agrees to assume and perform the duties of the escrow agent in accordance with the terms and conditions set forth herein. On the Closing Date, provided this Agreement has been executed by the parties to it, the Buyer, without any act of the Seller, shall deposit or cause to be deposited with JP Morgan Chase Bank, N.A., New York, as the Escrow Agent, the amount of Sixty Thousand Dollars (\$60,000) as specified in Section 2.3(b) of the Asset Purchase Agreement, such deposit to constitute an escrow fund (the "Escrow Fund"). The Escrow Agent will hold and dispose of the Escrow Fund in accordance with the terms and instructions of this Agreement. After complying with the terms of this Agreement, the Buyer will be entitled to obtain reimbursement from the Escrow Fund for all damages, losses, and expenses incurred by the Buyer to the extent of Seller's obligation for indemnity as provided in Article IX of the Asset Purchase Agreement. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no duties shall be implied.
3. **Escrow Period.** The Escrow Fund will remain in existence until one year after the Closing Date, plus any extension periods permitted by the terms of this Agreement (the "Escrow Termination Date"); provided, however, that the Escrow Fund shall be extended and shall not terminate with respect to any amount which, in the reasonable good faith judgment of the Buyer, subject to objection of the Seller and the subsequent resolution in the manner provided in Paragraph 9 of this Agreement, is necessary to satisfy any then pending and unsatisfied claims specified in a Buyer's Certificate (as defined below) delivered to the Escrow Agent prior to 5 p.m. New York time on the Escrow Termination Date with respect to facts and circumstances existing prior to the Escrow Termination Date. As soon as all such claims have been resolved (the period from Closing to such time being referred in this Agreement to as the "Escrow Period"), Seller and the Buyer shall deliver to the Escrow Agent a joint written distribution instruction and the Escrow Agent shall deliver to the Seller the remaining portion of the Escrow Fund, if any, not required to satisfy such claims.
4. **Notice.** Any notices or other communications to the Seller or Buyer required or permitted pursuant to the terms of this Agreement will be sufficiently given if sent by as provided in the

Asset Purchase Agreement. However, all communications hereunder to the Escrow Agent shall be in writing and shall be deemed to be duly given and received:

- (i) upon delivery if delivered personally or upon confirmed transmittal if by facsimile;
- (ii) on the next Business Day (as hereinafter defined) if sent by overnight courier; or
- (iii) four (4) Business Days after mailing if mailed by prepaid registered mail, return receipt requested, to the appropriate notice address set forth on Schedule 1 or at such other address as any party hereto may have furnished to the other parties in writing by registered mail, return receipt requested.

Notwithstanding the above, in the case of communications delivered to the Escrow Agent pursuant to (ii) and (iii) of this Section 4, such communications shall be deemed to have been given on the date received by the Escrow Agent. In the event that the Escrow Agent, in its sole discretion, shall determine that an emergency exists, the Escrow Agent may use such other means of communication as the Escrow Agent deems appropriate. "Business Day" shall mean any day other than a Saturday, Sunday or any other day on which the Escrow Agent located at the notice address set forth on Schedule 1 is authorized or required by law or executive order to remain closed.

5. Standard of Care. Escrow Agent shall not be held liable for any action taken or omitted under this Agreement, so long as it shall have acted in good faith and without gross negligence. Subject to the prior satisfaction of any rights of the Buyer to reimbursement from the Escrow Fund, the Escrow Agent may recover from the Escrow Fund at the end of the Escrow Period payments not yet made by the other parties hereto for any fees and expenses incurred in connection with the performance by the Escrow Agent of its duties under this Agreement including insurance fees and expenses of legal counsel retained by the Escrow Agent for any matters arising under this Agreement. The Escrow Agent may execute any of its powers and perform any of its duties hereunder directly or through agents or attorneys (and shall be liable only for the careful selection of any such agent or attorney) and may consult with counsel, accountants and other skilled persons to be selected and retained by it. The Escrow Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons. The Escrow Agent shall have no liability under and no duty to inquire as to the provisions of any agreement other than this Agreement. The Escrow Agent may rely upon and shall not be liable for acting or refraining from acting upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document.

6. Investment of Escrow Funds. The Escrow Agent will hold and safeguard the Escrow Fund during the Escrow Period for the benefit of the Buyer and Seller in accordance with the terms of this Agreement. The Escrow Fund will be invested in United States government obligations or other interest-bearing securities as directed in a writing signed jointly by Seller and the Buyer. Any interest or other income received by the Escrow Agent with respect to cash or other property held in the Escrow Fund will be added to the Escrow Fund. In the event the Escrow Agent does not receive any investment instructions, the Escrow Agent shall invest the funds in a money market deposit account. Receipt, investment and reinvestment of the Escrow Fund and interest or income thereon shall be confirmed by the Escrow Agent as soon as practicable by account statements delivered to the Buyer and Seller.

7. Distributions to Buyer From Escrow Fund. Upon receipt by the Escrow Agent on or before the Escrow Termination Date of a certificate ("Buyer's Certificate") signed by the president or any vice president of the Buyer,

(a) Stating that the Buyer and/or an Affiliate of the Buyer has paid or properly incurred or accrued or reasonably anticipates that it may have to pay, incur or accrue damages, losses, or expenses for which the Buyer or its Affiliate is entitled to reimbursement pursuant to this Agreement, in an aggregate stated amount, and

(b) Specifying in reasonable detail each individual item of damage, loss, or expense included in the aggregate amount so stated, the date each item was paid or properly accrued or the basis for any anticipated liability, and the nature of the misrepresentation, breach of warranty, or claim to which each item is related,

the Escrow Agent will, subject to the provisions of Paragraphs 8 and 9 of this Agreement, distribute to the Buyer or its subsidiary, as promptly as practicable, cash or other property from the Escrow Fund to reimburse the Buyer or its Affiliate for the stated damages, losses, or expenses.

8. Objections to Distributions. At the time of delivery of a Buyer's Certificate to the Escrow Agent, a duplicate copy of the certificate will be delivered to Seller, and for a period of 30 days after delivery of the duplicate copy, the Escrow Agent will make no distribution pursuant to Paragraph 7 of this Agreement unless the Escrow Agent has received written authorization from Seller to make the distribution. After the expiration of the 30-day period, the Escrow Agent may distribute cash or other property in accordance with Paragraph 7 of this Agreement, provided that no such distribution may be made to which Seller has objected in a written statement delivered to the Escrow Agent by 5:00 p.m. on the final day of such expiration of the 30-day period. In the event that a Buyer's Certificate is received by the Escrow Agent before 5 p.m. New York time on the Escrow Termination Date, the Escrow Agent shall wait for the expiration of the 30-day period before disbursing the funds in question.

9. Settlement of Disputed Claims; Arbitration. If Seller objects in writing to the payment to the Buyer or its Affiliate for any claim made in any Buyer's Certificate, Seller and the Buyer will attempt in good faith to agree on the rights of the respective parties regarding each disputed claim. If Seller and the Buyer do so agree, a memorandum setting forth the agreement will be prepared and signed by both parties and will be given to the Escrow Agent. The Escrow Agent will be entitled to rely on any such memorandum, and may make distributions from the Escrow Fund in accordance with the terms of the memorandum. If no such agreement can be reached after good faith negotiation within 30 days from the end of the notice period in Paragraph 8 of this Agreement, either the Buyer or Seller may demand arbitration of the matter; and in such event the American Arbitration Association will be asked to appoint one arbitrator to rule on the matter, such appointment to be in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. Any such arbitration will be held in New York, NY. The decision of the arbitrator about the validity of any claim in a Buyer's Certificate will be binding and conclusive on the parties to this Agreement; and despite anything in Paragraph 7 of this Agreement, the Escrow Agent will be entitled to make or withhold distributions from the Escrow Fund or otherwise act in accordance with the arbitrator's decision. Each party to the arbitration will pay its own expenses, and the fee of the arbitrator and the administrative fee of the American Arbitration Association will be paid one half by the Buyer and one half by Seller. Judgment on any award rendered by the arbitrator may be entered in any court having jurisdiction over the matter. In the event that the Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any party hereto which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be directed otherwise in writing by all of the other parties hereto, an arbitration order, or by a final order or judgment of a court of competent jurisdiction. In no event shall Escrow Agent be a party to any arbitration, but shall rely and follow on any arbitration order.

10. Final Distributions of Escrow Fund. Promptly after the Escrow Termination Date, the Escrow Agent will distribute to the Seller all funds then remaining in the Escrow Fund, including any interest, except an amount of cash or other property sufficient, in the judgment of the Escrow Agent to satisfy any unsatisfied claims specified in any Buyer's Certificate previously delivered to the Escrow Agent which shall be pending pursuant to Seller's written obligation delivered pursuant to Section 8 hereof and any fees and expenses incurred but not yet paid for the Escrow Agent. As soon as all claims have been resolved, promptly after termination of the Escrow Period, the Escrow Agent will distribute to the Seller all cash or other property then remaining in the Escrow Fund not required to satisfy those claims and the unpaid fees and disbursements of the Escrow Agent.

11. Indemnification/Consequential Damages. The Buyer and the Seller shall jointly and severally indemnify, defend and save harmless the Escrow Agent and its directors, officers, agents and employees (the "indemnitees") from all loss, liability or expense (including the fees and expenses of in house or outside counsel) arising out of or in connection with (i) the Escrow Agent's execution and performance of this Agreement, except in the case of any indemnitee to the extent that such loss, liability or expense is due to the gross negligence or willful misconduct of such indemnitee, or (ii) its following any instructions or other directions from the Buyer or the Seller, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof. The parties hereto acknowledge that the foregoing indemnities shall survive the resignation or removal of the Escrow Agent or the termination of this Agreement. The parties hereby grant the Escrow Agent a lien on, right of set-off against and security interest in the Escrow Fund for the payment of any claim for indemnification, compensation, expenses and amounts due hereunder. Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

12. Account Opening Information. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When an account is opened, Escrow Agent will ask for information that will allow it to identify relevant parties.

The Buyer and the Seller each represent that its correct Taxpayer Identification Number ("TIN") assigned by the Internal Revenue Service ("IRS") or any other taxing authority is set forth in Schedule 1. Upon execution of this Agreement, the Buyer and Seller shall provide the Escrow Agent with a fully executed W-8 or W-9 IRS form, which shall include the Buyer's and Seller's TIN. In addition, all interest or other income earned under this Agreement shall be allocated and/or paid as directed in a joint written direction of the Buyer and the Seller and reported by the recipient to the Internal Revenue Service or any other taxing authority. Notwithstanding such written directions, Escrow Agent shall report and, as required withhold any taxes as it determines may be required by any law or regulation in effect at the time of the distribution. In the absence of timely direction, all proceeds of the Escrow Fund shall be retained in the Escrow Fund and reinvested from time to time by the Escrow Agent as provided in Section 3. In the event that any earnings remain undistributed at the end of any calendar year, Escrow Agent shall report to the Internal Revenue Service or such other authority such earnings as it deems appropriate or as required by any applicable law or regulation or, to the extent consistent therewith, as directed in writing by the Buyer and the Seller. In addition, Escrow Agent shall withhold any taxes it deems appropriate and shall remit such taxes to the appropriate authorities.

13. Security Procedures. In the event funds transfer instructions are given (other than in writing at the time of execution of this Agreement, as indicated in Schedule 1 attached hereto), whether in writing, by telecopier or otherwise, the Escrow Agent is authorized to seek confirmation of such instructions by telephone call-back to the person or persons designated on schedule 2 hereto ("Schedule

2"), and the Escrow Agent may rely upon the confirmation of anyone purporting to be the person or persons so designated. The persons and telephone numbers for call-backs may be changed only in a writing actually received and acknowledged by the Escrow Agent. If the Escrow Agent is unable to contact any of the authorized representatives identified in Schedule 2, the Escrow Agent is hereby authorized to seek confirmation of such instructions by telephone call-back to any one or more of your executive officers, ("Executive Officers"), which shall include the titles of president or vice president, as the Escrow Agent may select. Such Executive Officer shall deliver to the Escrow Agent a fully executed Incumbency Certificate, and the Escrow Agent may rely upon the confirmation of anyone purporting to be any such officer. The Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by the Buyer or the Seller to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank. The Escrow Agent may apply any of the escrowed funds for any payment order it executes using any such identifying number, even when its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. The parties to this Agreement acknowledge that these security procedures are commercially reasonable.

14. General. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. This Agreement shall be governed by and construed under the laws of the State of New York. Each party hereto irrevocably waives any objection on the grounds of venue, forum non-conveniens or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the jurisdiction of the courts located in the State of New York. The parties further hereby waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising or relating to this Agreement. No party to this Agreement is liable to any other party for losses due to, or if it is unable to perform its obligations under the terms of this Agreement because of, acts of God, fire, floods, strikes, equipment or transmission failure, or other causes reasonably beyond its control. 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. This Agreement and any affidavit, certificate, instrument, agreement or other document required to be provided hereunder may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument. Unless the context shall otherwise require, the singular shall include the plural and vice-versa, and each pronoun in any gender shall include all other genders. The terms and provisions of this Agreement constitute the entire agreement among the parties hereto in respect of the subject matter hereof, and neither the Buyer, Seller, nor the Escrow Agent has relied on any representations or agreements of the other, except as specifically set forth in this Agreement. This Agreement or any provision hereof may be amended, modified, waived or terminated only by written instrument duly signed by the parties hereto. Notwithstanding any other provision of this Escrow Agreement, Buyer may assign its rights, duties, and obligations hereunder (i) to its financing sources; (ii) to any direct or indirect wholly owned Subsidiary or to any Affiliate of which Buyer is a direct or indirect wholly-owned Subsidiary; and (iii) in connection with the sale or transfer by Buyer of all or substantially all of its capital stock and/or assets. Escrow Agent shall be notified of any assignment of rights under this agreement and Escrow Agent may ask for further documentation from Buyer's its financing sources, subsidiary, or Affiliate to comply with Patriot Act regulations, tax reporting purposes, or to fulfill any of its obligations under this Agreement. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, devisees, executors, administrators, personal representatives, successors, trustees, receivers and permitted assigns. This Agreement is for the sole and exclusive benefit of the Buyer, Seller and the Escrow Agent, and nothing in this Agreement, express or implied, is intended to confer or shall be construed as conferring upon any other person any rights, remedies or any other type or types of benefits.

In witness whereof, each of the parties has caused this Agreement to be executed on its behalf by its duly authorized officers, all as of the day and year first above written.

Address: **INDUSTRIAL ADHESIVE, INC.**

130 N. Campbell Ave.
Chicago, Illinois 60612

By: _____

Name: Manuel Belbis
Title: President

Address: **ROYAL ADHESIVES AND SEALANTS, LLC**

2001 W. Washington Street
South Bend, Indiana 46628

By: _____

Name:
Title:

Address: **JPMORGAN CHASE BANK, N.A.**

4 New York Plaza, 21st Floor _____
New York, NY 10004

Attn: Larissa Urcia/ Joe Morales

Facsimile: 212-623-6380

By: _____

Name:
Title:

Schedule 1

Name of Buyer: Royal Adhesives and Sealants, LLC

Buyer Notice Address: 2001 W. Washington Street, South Bend, Indiana 46628

Buyer TIN:

Wiring Instructions:

Name of Seller: Industrial Adhesive, Inc.

Seller Notice Address: 130 N. Campbell Ave., Chicago, Illinois 60612

Seller TIN:

Wiring Instructions:

Name of Escrow Agent: JPMorgan Chase Bank, N.A.

Escrow Agent Notice Address: 4 New York Plaza, 21st Floor, New York, New York 10004

Escrow TIN:

Wiring Instructions:

(a) Escrow Deposit: \$60,000

Investment: [specify]

- JPMorgan Chase Bank Money Market Account;
- A trust account with JPMorgan Chase Bank;
- A money market mutual fund, including without limitation the JPMorgan Fund or any other mutual fund for which the Escrow Agent or any affiliate of the Escrow Agent serves as investment manager, administrator, shareholder servicing agent and/or custodian or subcustodian, notwithstanding that (i) the Escrow Agent or an affiliate of the Escrow Agent receives fees from such funds for services rendered, (ii) the Escrow Agent charges and collects fees for services rendered pursuant to this Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Escrow Agent or its affiliates.
- Such other investments as Buyer, Seller and Escrow Agent may from time to time mutually agree upon in a writing executed and delivered by the Buyer and the Seller and accepted by the Escrow Agent.

Escrow Agent's compensation: \$2,500.00 per annum without pro-ratio for partial years

**Telephone Number(s) for Call-Backs and
Person(s) Designated to Instruct and Confirm Funds Transfer Instructions**

If to Buyer:

	<u>Name</u>	<u>Telephone Number</u>	<u>Signatures</u>
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

If to Seller:

	<u>Name</u>	<u>Telephone Number</u>	<u>Signatures</u>
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

Telephone call-backs shall be made to each Buyer and Seller if joint instructions are required pursuant to this Agreement.

If only one party may confirm or instruct funds transfers:

Periodically, you issue payment orders to us to transfer funds by federal funds wire. We review the orders to determine compliance with the governing documentation and to confirm signature by the appropriate party, in accordance with the incumbency list previously supplied to us. Bank policy requires that, where practicable, we undertake callbacks to a party other than the individual who signed the payment order to verify the authenticity of the payment order.

Inasmuch as you are the only employee in your office who can confirm and instruct wire transfers in accordance with the Purchase Price Escrow Agreement, we will call you to confirm any federal funds wire transfer payment order purportedly issued by you. Your continued issuance of payment orders to us and confirmation in accordance with this procedure will constitute your agreement (1) to the callback security procedure outlined herein and (2) that the security procedure outlined herein constitutes a commercially reasonable method of verifying the authenticity of payment orders. Moreover, you agree to accept any risk associated with a deviation from this bank policy.

EXHIBIT C

Other Industrial Adhesive Purchase Documents

See attached.

1. Consulting Agreement
2. Non-Competition, Non-Solicitation and Confidentially Agreement
3. Tolling and Support Agreement
4. Commission Agreement
5. Escrow Agreement for Working Capital Escrow
6. Escrow Agreement for Purchase Price Escrow
7. Bill of Sale, Assignment and Assumption Agreement
8. Accounts Receivable Assignments
9. Trademark Assignments
10. Patent Assignment

September 10, 2007

Mr. Manuel Belbis, President
Industrial Adhesive Co.
130 N. Campbell Ave.
Chicago, Illinois 60612

Re: Consulting Services

Dear Manny,

As part of the acquisition of the adhesives product line, technology and certain other assets of Industrial Adhesive Co. ("IAC") by Royal Adhesives and Sealants, LLC ("Royal" or the "Company") under an Asset Purchase Agreement effective as of August 10, 2007 (the "APA"), IAC has agreed to provide consulting services to the Company and its Affiliates under the terms of this Letter Agreement. The "Affiliates" of the Company include, by example but without limitation, the parents, subsidiaries, shareholders, partners, joint venturers, and the accountants, attorneys, consultants, employees and advisors of each.

1. **Term of Agreement.** IAC will provide consulting services to Royal and its Affiliates for a continuous twelve month period commencing September 17, 2007 and ending September 16, 2008 (the "Initial Term"). After the expiration of the Initial Term, this Letter Agreement may be extended if both IAC and the Company agree. The Initial Term together with any extended term shall be referred to in this Letter Agreement as the "Consulting Period".
2. **Consultant.** IAC has agreed that Mr. Manuel Belbis will be assigned by IAC to provide all services and perform all duties assigned by the Company under this Letter Agreement (the "Designated Consultant"). IAC understands and agrees that the assignment of Mr. Belbis, and his satisfactory performance of the services and duties under this Letter Agreement is the essential component of our understanding.
3. **Duties.** The consulting services shall include such duties as are assigned by the Chief Executive Officer of Royal, in his sole discretion, and the Designated Consultant shall devote sufficient energy and attention to the business of Royal in order to satisfactorily perform such duties. Such duties will include, by way of example, sales development and representation of the Company and its products to customers, potential customers and vendors, advising on and assisting with product development and quality issues, and other such assignments that utilize the knowledge, experience, skills and expertise of the Designated Consultant. The duties of the Designated Consultant under this Letter Agreement do not include his responsibilities to manage production and assist with transition of the manufacturing of the products to Royal's facility as operations manager of IAC under the APA and Tolling and Support Agreement entered into in connection with the APA. The scope of the Designated Consultant's duties may be modified from time to time at the discretion of the Chief Executive Officer or the Board of Directors of Royal.
4. **Independent Contractor.** During the Consulting Period the services of the Designated Consultant will be independently contracted by the Company from IAC and the Designated Consultant will not be an employee of the Company. Consequently, it is expressly understood and agreed that the Designated Consultant will not be treated as an employee of the Company for any purpose including federal or state tax matters and the Designated Consultant is not eligible to,

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and will not participate in any Company employee benefit programs. The term "employment" as used in this Letter Agreement shall not be interpreted or construed to imply relationship of employee and employer between the Designated Consultant and the Company. The Designated Consultant will not be prevented from engaging in other employment so long as it does not interfere with his performance of his duties and the terms of this Letter Agreement, and in particular the provisions of Sections 7 through 10, inclusive are strictly followed.

5. Compensation. An advance of the consulting fee in the sum of fifty thousand dollars (\$50,000.00) for the Initial Term, will be paid in full at the beginning of the Initial Term. Royal and IAC have jointly determined that during the Initial Term, the Designated Consultant shall be required to provide a minimum of three hundred (300) hours of consulting services. Should Royal request and you agree that the Designated Consultant provide services in excess of three hundred hours, or that he provide services during any extended term, the Company will compensate IAC at the rate of one hundred sixty-six and 67/100 dollars (\$166.67) per hour. Throughout the Consulting Period on a monthly basis, IAC shall submit invoices summarizing the Designated Consultant's activities in sufficient detail to allocate charges within the Company, including the dates and locations services were provided, the activity and the time spent in 1/10th hour increments. These invoices will be credited against the advanced consulting fee until the Designated Consultant has provided 300 hours of services; thereafter, Royal will pay IAC for additional services rendered, provided that Royal shall not pay for such additional services unless they are first authorized by the Chief Executive Officer of Royal in writing before such services are undertaken. Royal shall have no obligation to pay and shall not be liable for services rendered or duties performed by any Person on behalf of IAC under this Letter Agreement other than the Designated Consultant.

6. Representations and Warranties. IAC expressly represents and warrants that IAC shall pay the Designated Consultant all wages and other compensation to him immediately when due under terms that IAC and the Designated Consultant shall agree. IAC represents and warrants that it will collect or withhold from the Designated Consultant and pay when due all Federal and State taxes on compensation and expenses paid to the Designated Consultant and shall indemnify, defend and hold the Company harmless from any and all wages, compensation, taxes and penalties arising from services rendered to Royal by the Designated Consultant under this Letter Agreement. IAC will provide the Company with its Taxpayer ID Number upon executing this Letter Agreement, and shall provide the Company with all information and documentation required by the Company for Federal and State income tax reporting purposes upon request.

5. Business Expenses. We have jointly anticipated that the Designated Consultant's duties can be carried out from the Facility or his residence, and that no travel or other business expenses should be required; however, if the Company requests the Designated Consultant to provide services away from the Facility or his residence, he will be authorized to incur reasonable business expenses, including expenses for travel to and from work assignments and reasonably necessary accommodations in accordance with Royal policies. Royal agrees to reimburse the Designated Consultant directly for itemized business expenditures provided they are presented and approved in accordance with Royal's policies and procedures.

6. Reports. IAC shall cause the Designated Consultant to prepare and submit written reports on a monthly basis or more frequently if reasonably required by the Chief Executive Officer. the Designated Consultant's reports shall describe the consulting activities provided in sufficient detail to meet the reasonable business needs of Royal to permit follow-up or further action and to document his observations, opinions, results, recommendations and findings as is appropriate.

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7. Proprietary Information Obligations. During his employment with IAC and during the Consulting Period, the Designated Consultant has had and will have access to and become acquainted with the confidential and proprietary information of the Company or its Affiliates, including but not limited to information or plans regarding the Company's Customer relationships, personnel, or sales, marketing, and financial operations and methods; trade secrets; formulas; devices; secret inventions; processes; methodologies; and other compilations of information, records, and specifications, any and all of which may be contained in documents, computer programs and files, pictures, plans or other visual representations, or may be communicated orally to him or observed by him (collectively, "Proprietary Information"). The Proprietary Information includes the confidential and proprietary information acquired by Royal from IAC under the Asset Purchase Agreement and other information disclosed by Royal. Neither the Designated Consultant nor IAC shall disclose any Proprietary Information directly or indirectly, or use it in any way, either during the Consulting Period or at any time thereafter, except as required in the course of the consultation with the Company or as authorized in writing in advance by the Company. All files, records, documents, electronically stored information, drawings, specifications, equipment and similar items relating to the business of the Company or its Affiliates, whether prepared by the Designated Consultant or otherwise coming into his or IAC's possession, shall be and remain the exclusive property of the Company and neither the Designated Consultant nor IAC shall copy or otherwise access Proprietary Information whatsoever without the prior written consent of the Company except when (and only for the period) necessary for the Designated Consultant to carry out his duties under this Letter Agreement. Any and all Proprietary Information shall be immediately returned to the Company when services are no longer being provided and no copies thereof shall be kept by IAC or the Designated Consultant. The Designated Consultant represents that he is under no obligation of confidentiality to IAC or any other third party except as regards Proprietary Information acquired by Royal from IAC.

8. Intellectual Property Rights. All processes, inventions, patents, copyrights, trademarks, and other intangible rights that may be conceived or developed by you, either alone or with others, whether or not conceived or developed during your working hours, and with respect to which the equipment, supplies, facilities, trade secret or Proprietary Information of Royal was used, or that relate at the time of conception or reduction to practice of the invention to the business of Royal or to Royal's actual or demonstrably anticipated research and development, or that result from any work performed by you for Royal, shall be the sole property of Royal. You shall disclose to Royal all inventions conceived during the term of the Non-Competition Agreement, whether or not the property of Royal under the terms of the preceding sentence, provided that such disclosure shall be received by Royal in confidence. You shall execute all documents, including patent applications and assignments, required by Royal to establish Royal's rights under this Section 8.

9. Noncompetition. IAC and the Designated Consultant each acknowledge and agree that it or he and Royal are parties to a Non-Competition, Non-Solicitation and Confidentiality Agreement (the "Non-Competition Agreement") effective as of the Closing Date, the terms of which are deemed incorporated into this Letter Agreement as if set forth in full. You IAC and the Designated Consultant each acknowledge that they will derive significant value from the Company's agreement in Paragraph 7 to provide you with access to Proprietary Information of the Company to enable the Designated Consultant to perform his duties to the Company. IAC and the Designated Consultant each further acknowledge that fulfillment of the obligations in this Letter Agreement, including, but not limited to, the obligation neither to disclose nor to use the Company's Proprietary Information other than for the Company's exclusive benefit and the

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obligation not to compete contained in the Non-Competition Agreement is necessary to protect the Company's Proprietary Information and, consequently, to preserve the value and goodwill of the Company.

10. **Royal Property.** All documents, equipment and specimens relating to the business of Royal, whether prepared by the Designated Consultant or otherwise coming into your possession, are the exclusive property of Royal, and must not be removed from its premises except as required in the course of employment with Royal. All such documents and equipment must be returned to Royal when services are no longer being performed or this Letter Agreement is otherwise terminated.

11. **Termination.**

a. **Termination for Cause.** At any time during the Consulting Period, this Letter Agreement may be terminated forthwith by Royal for cause if the Designated Consultant or IAC or anyone acting for or on behalf of either willfully breaches, grossly neglects, fails or refuses to perform the duties which are required to be performed, willfully discloses confidential information or commits any act or omission which materially injures Royal or its reputation, or fails to perform the material covenants required under this Letter Agreement and/or the Company's published policies, or if the Designated Consultant commits a material act of dishonesty, fraud, misrepresentation or other act of moral turpitude. If this Letter Agreement is terminated for cause, the Company shall be entitled to recover the sum of \$4,167 for each month, or portion thereof from the date of the event or occurrence giving rise to the termination to the end of the Initial Term in addition to all other damages incurred or suffered by the Company.

b. **Termination on Death.** If you die during the Consulting Period, this Letter Agreement shall be terminated on the last day of the calendar month of your death.

c. **Termination on Disability.** If you are unable to provide consulting services, Royal shall have the right to declare this Letter Agreement terminated if the disability continues for two (2) consecutive full calendar months.

d. **Termination by Resignation.** After the Initial Term, either you or the Company may voluntarily terminate your consulting services at any time upon fifteen (15) days written notice to the other party.

e. **Termination by Expiration.** Unless extended on terms mutually agreeable to you and the Company no less than thirty (30) days prior to the expiration of the Initial Term, this Letter Agreement shall terminate September 16, 2008.

12. **Your Post-Termination Obligations.** Notwithstanding the termination of this Letter Agreement, the provisions of paragraphs 7 (Proprietary Information Obligations), 8 (Intellectual Property Rights), 9 (Noncompetition), and 10 (Royal Property) shall survive.

13. **Construction.** This Letter Agreement shall be construed according to the laws of the State of Indiana. If any provision of this Letter Agreement is held invalid or unenforceable, the remainder of this Letter Agreement shall remain in full force and effect. If any provision is held invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances. This Letter Agreement shall also be construed according to its fair meaning and not for or against you or Royal regardless of who is responsible for its preparation in whole or in part.

14. **Enforcement.** IAC and the Designated Consultant each acknowledge that a breach of the covenants contained in Sections 7 through 10 may cause irreparable damage to the Company, the exact amount of which would be difficult to ascertain, and that the remedies at law for any such breach or threatened breach would be inadequate. Accordingly, IAC and the Designated

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ROYAL
ADHESIVES & SEALANTS

Consultant each agree that if either breaches or threatens to breach any of the covenants contained in Sections 7 through 10 in addition to any other remedy which may be available to the Company at law or in equity or hereunder, the Company shall be entitled to (a) cease or withhold any payments and/or benefits due and payable to you, and (b) recover all compensation paid under paragraph 4 in addition to all other damages incurred or suffered by the Company, and (c) seek specific performance and injunctive relief to prevent the breach or any threatened breach thereof without bond or other security or a showing that monetary damages will not provide an adequate remedy.

15. Integrated Complete Agreement. This Letter Agreement integrates and supersedes all other prior written and oral agreements and understandings of every character and comprises the entire agreement between IAC and the Designated Consultant and Royal regarding the terms of the engagement as a consultant. This Letter Agreement may be amended only by a further express written agreement between IAC, the Designated Consultant and Royal and cannot be amended by informal discussions or written communications from either party to the other. No waiver of any rights or obligations under this Letter Agreement shall be deemed to have occurred unless in writing signed by the party against whom such waiver is asserted, and no waiver shall be deemed a waiver of any other or subsequent rights or obligations.

16. Arbitration. Any controversy or claim arising out of or relating to this Letter Agreement, or the breach, termination or invalidity thereof, and all other related claims shall be exclusively and finally settled by arbitration in accordance with the Labor Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator may be rendered in any court having jurisdiction thereof. The arbitration shall be held in South Bend, Indiana or the principal city of the federal judicial district in which you reside as of the date of termination. Notwithstanding the foregoing provisions of this Section 16, you and Royal agree that breaches of your obligations concerning trade secrets, confidential information and inventions cannot adequately be remedied at law or in arbitration, and that Royal may seek and upon proper proof obtain injunctive relief including damages from a court of competent jurisdiction in the event of breach of any such obligations as set forth in Sections 7 through 10 of this Letter Agreement. Any such injunctive proceedings shall be without prejudice to the Royal's rights under this Letter Agreement to obtain relief in arbitration with respect to all other matters.

17. Notices. Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses set forth below, but each party may change his or its address by written notice in accordance with this paragraph. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of three (3) days after mailing.

If to Royal:

Royal Adhesives and Sealants LLC
2001 W. Washington Street
South Bend, Indiana 46628

Attn: Chief Financial Officer

HARDMAN®

SILAPRENE®

HYDRA FAST-EN®

If to IAC:

Industrial Adhesive Co.
130 N. Campbell Ave.
Chicago, Illinois 60612

Attn: President

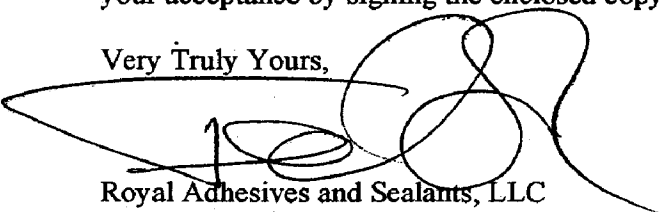
18. Attorney's Fees and Costs. If any arbitration proceeding or action at law or in equity is instituted or necessary in order to enforce or interpret the terms of this Letter Agreement or any dispute with respect thereto, then the prevailing party shall be entitled to an award of reasonable attorneys fees, costs and disbursements in addition to any other costs to which it or he might otherwise be entitled. An arbitrator shall have the authority to determine the appropriate amount of attorney's fees and costs for all arbitration proceedings.

19. Assignment. The rights and obligations of Royal under this Letter Agreement shall inure to the benefit of, and shall be binding upon, its successors and assigns. Any successor or assignee shall be deemed substituted for Royal under the terms of this Letter Agreement for all purposes.

20. Counterparts. This Letter Agreement may be signed in one or more counterparts, each of which shall be deemed to be an original.

If this Letter Agreement sets forth the terms we have discussed and agreed in full, please indicate your acceptance by signing the enclosed copy of this letter and return it to my attention.

Very Truly Yours,



Royal Adhesives and Sealants, LLC
By Ted Clark, Chief Executive Officer

Terms accepted and agreed to,

Industrial Adhesive Co.
Manuel Belbis, President
Date:

I have read and understood the terms of this Letter Agreement,
And in particular my obligations under paragraphs 7 through 10 above,
And agree to provide services on behalf of IAC as the Designated Consultant.

Manuel Belbis
Date:

HARDMAN®

SILAPRENE®

HYDRA FAST-EN®

If to IAC:

Industrial Adhesive Co.
130 N. Campbell Ave.
Chicago, Illinois 60612

Attn: President

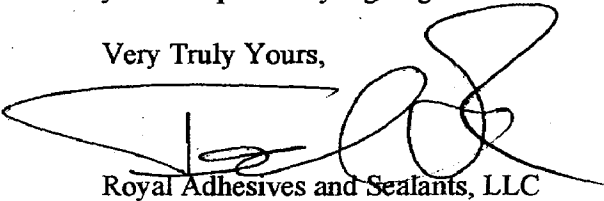
18. Attorney's Fees and Costs. If any arbitration proceeding or action at law or in equity is instituted or necessary in order to enforce or interpret the terms of this Letter Agreement or any dispute with respect thereto, then the prevailing party shall be entitled to an award of reasonable attorneys fees, costs and disbursements in addition to any other costs to which it or he might otherwise be entitled. An arbitrator shall have the authority to determine the appropriate amount of attorney's fees and costs for all arbitration proceedings.

19. Assignment. The rights and obligations of Royal under this Letter Agreement shall inure to the benefit of, and shall be binding upon, its successors and assigns. Any successor or assignee shall be deemed substituted for Royal under the terms of this Letter Agreement for all purposes.

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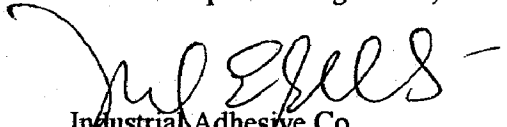
If this Letter Agreement sets forth the terms we have discussed and agreed in full, please indicate your acceptance by signing the enclosed copy of this letter and return it to my attention.

Very Truly Yours,



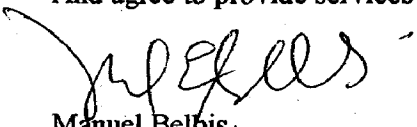
Royal Adhesives and Sealants, LLC
By Ted Clark, Chief Executive Officer

Terms accepted and agreed to,



Industrial Adhesive Co.
Manuel Belbis, President
Date: 9/11/07

I have read and understood the terms of this Letter Agreement,
And in particular my obligations under paragraphs 7 through 10 above,
And agree to provide services on behalf of IAC as the Designated Consultant.



Manuel Belbis
Date: 9/11/07

HARDMAN®

SILAPRENE®

HYDRA FAST-EN®

NON-COMPETITION, NON-SOLICITATION AND CONFIDENTIALITY AGREEMENT

THIS AGREEMENT (this "Agreement") is made and entered into this 14th day of September, 2007, by and among Industrial Adhesive Co., an Illinois corporation having an address at 130 N. Campbell Ave., Chicago, Illinois 60612 ("IAC"), and Manuel Belbis, an individual, (the foregoing individual, the "Shareholder", and together with IAC, the "Sellers"), and Royal Adhesives and Sealants, LLC a Delaware limited liability company having an address at 2001 W. Washington Street, South Bend, Indiana 46628 (the "Buyer").

A. Buyer and Sellers have entered into an Asset Purchase Agreement, dated as of August 10, 2007 (the "Asset Purchase Agreement"), pursuant to which Buyer is acquiring substantially all of the personal and intangible assets, properties and rights used in or related to the development, manufacture, marketing and sale of EVA, PVA, SBR and acrylic adhesive products of IAC as set forth and described in the Asset Purchase Agreement (the "Business").

B. As a condition to the consummation of the Transactions contemplated by the Asset Purchase Agreement, the parties have agreed to enter into this Agreement.

Capitalized terms used in this Agreement but not specifically defined herein have the meanings set forth in the Asset Purchase Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained in this Agreement and the Asset Purchase Agreement, and for other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. From and after the effective date of this Agreement, which date shall be concurrent with the Closing Date of the Asset Purchase Agreement, each Seller for itself and its Affiliates individually, hereby covenants and agrees that:

(a) As used in this Agreement, the following terms shall have the following meanings:

(i) "Non-Competition Period" means the period of five (5) years from and after the Closing Date.

(ii) "Compete". As used in this Agreement, a Person, business or organization shall be deemed to "Compete" with the Business if such Person engages in the development, manufacture, processing, marketing, distribution or sale of products, or the rendering of related services, which products are substantially similar to the EVA, PVA, SBR and acrylic adhesive Products in composition, use or application, any modifications or enhancements to such products (to the extent such modifications or enhancements are used for products substantially similar to the EVA, PVA, SBR and acrylic adhesive Products in composition, use or application).

(iii) "Customer" is any Person that, during the applicable period, uses, purchases, or has used, or purchased EVA, PVA, SBR and acrylic adhesive products, including the Products, or materials functionally similar to the Products.

(iv) "Including," "include" or "includes" mean including as an example, without limiting the generality of the universe described.

(b) Each Seller agrees that he or it will not, and will not permit any of its Affiliates to own, manage, operate, join, control or participate in the ownership, management, operation or control of, or be connected as a director, officer, employee, partner, lender or consultant with, or have an equity interest in any business or organization that, directly or indirectly, Competes with the Business in any part of North

America or the rest of the World; provided, however, that Buyer derives at least three percent (3%) of its gross revenues from each such geographic area during the Non-Competition Period. Notwithstanding the foregoing, each Seller may hold not more than one percent (1%) of a publicly-traded company that, directly or indirectly, Competes with the Business.

(c) Without limiting Section 1(b), during the Non-Competition Period, each Seller, for itself and its Affiliates, hereby covenants and agrees that he and it individually or collectively will not, and will not permit any of their Affiliates to, directly or indirectly:

(i) solicit, entice or induce any Person that as of the Closing Date is, and during the three (3) year-period prior to the Closing Date was, or at any time during the Non-Competition Period shall be, a Customer to become a customer of any Person other than Buyer for products or services similar to, or competitive with, the Business;

(ii) approach any Person for such purpose or authorize the taking of such actions by any other Person or assist or participate with any such Person in taking such action,

(iii) in any way interfere with the relationship between Buyer and any such Person or business relationship;

(iv) seek to induce a Customer thereof to cancel orders or reduce the volume of purchases by a Customer thereof from the Buyer; or

(v) directly or indirectly, take any action to disparage or criticize Buyer or its Affiliates, or its respective employees, directors, owners or customers or engage in any other action that is intended or reasonably expected to injure or hinder the business relationships of the Buyer.

(d) IAC and Shareholder for himself, itself and for their respective Affiliates agrees he or it will not engage in the research, development or manufacture, directly or indirectly, or supervise or assist in any way the research, development or manufacture, for sale to any Person, of any product of a type sold or usable for substantially the same purpose as, or otherwise is intended to Compete with, any Product.

(e) For the period beginning on the date of this Agreement and ending five (5) years after the Closing no Seller nor any of its Affiliates will solicit for employment or employ any employees of Buyer or cause any such employees to leave the employment of Buyer or any of its Affiliates without the express consent of Buyer, which consent will not be unreasonably withheld. For greater certainty and elimination of doubt, as used in this Agreement, "employees of Buyer" includes persons who were employed by IAC prior to the Closing and employed by Buyer after the Closing.

2. The covenants not to compete contained in this Agreement shall be construed as agreements independent of any other provision of the Asset Purchase Agreement, and the existence of any claim or cause of action that a Seller or its Affiliates or a Shareholder may have against the Buyer shall not constitute a defense to the enforcement of such covenants by the Buyer. The Buyer, the Seller and the Shareholder, for itself and himself, and their respective Affiliates acknowledges and agrees the duration and the scope of the covenants not to compete set forth herein both are reasonable and are necessary for the legitimate protection of the parties' business and interests. Notwithstanding the foregoing, if the covenants not to compete contained herein would otherwise be determined partially or totally invalid or unenforceable, IAC and each Shareholder, for itself and himself and their respective Affiliates hereby covenants and agrees that any court of competent jurisdiction shall exercise its discretion in reforming

such provision to the maximum extent of the law such that they, or any of them, will be subject to a covenant not to compete reasonable under the circumstances and enforceable by the Buyer.

3. Disclosure of Confidential Information. Each Seller acknowledges that he and in the case of IAC, it and its officers, directors, shareholders, employees and Affiliates, is in possession of confidential information concerning the Purchased Assets and the Business sold and transferred to Buyer, including the Intellectual Property, and that such information shall be, from and after the Closing Date, proprietary to the Buyer (the "Confidential Information"). Except as may be required by law, each of the Sellers will not, and will not permit its Affiliates or any of their respective officers, directors and employees to, and Shareholder will not, disclose, disseminate, divulge, discuss, copy or otherwise use or suffer to be used any Confidential Information, including trade secrets, know-how, customer lists and other similar . . . proprietary information. Each Seller further agrees that from and after the Closing Date, and pursuant to the terms of the Tolling and Support Agreement by and between the parties he or it promptly will deliver to Buyer all Confidential Information in their possession (in whatever form it may exist) without retaining any copy thereof, or with the consent of the Buyer destroy all Confidential Information and all copies of such information and each shall provide its certification of such destruction.

4. Shareholder represents and warrants that he directly and beneficially owns and controls all of the issued and outstanding shares of IAC.

5. IAC and Shareholder represents and warrants to Buyer that

(a) the execution, delivery and performance of this Agreement by IAC or Shareholder does not and will not conflict with, breach, violate or cause a material default under any contract, agreement or any order, judgment or decree to which IAC or Shareholder is a party or by which Seller or any of its Affiliates is bound, and

(b) upon the execution and delivery of this Agreement by Buyer, this Agreement will be the valid and binding obligation of IAC and Shareholder, enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights.

6. Each Seller, for itself and its Affiliates agrees that money damages would not be a sufficient remedy for any breach of this Agreement and, accordingly, that the Buyer shall be entitled to equitable relief, including injunction and specific performance, in the event of any breach of the provisions of this Agreement, in addition to all other remedies available at law or in equity and the Buyer shall be entitled to all reasonable fees (including attorneys fees and expenses) incurred by the Buyer in enforcing this Agreement.

7. The parties further understand and agree that no failure or delay in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

8. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement may not be changed, modified, amended, supplemented or assigned except by a written instrument signed by each of the parties.

9. Any notices required or permitted hereunder shall be given to the appropriate party at the address specified below such party's signature or at such other address as the party shall specify in writing. Such notice shall be deemed given upon the date of the personal delivery of such notice, or upon the date of

confirmation of the transmittal of the notice by telecopy (provided that such telecopied notice is followed, within twenty-four (24) hours by personal delivery to the receiving party or by deposit with an overnight courier of national reputation) or three (3) days after the date of mailing such notice by certified or registered mail, postage prepaid.

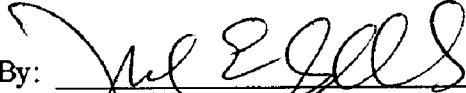
10. This Agreement may be executed in two or more counterparts all of which shall have the same force and effect as if all parties to this Agreement had executed a single original of this Agreement.

THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF INDIANA.

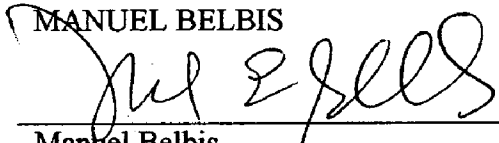
IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

IAC:

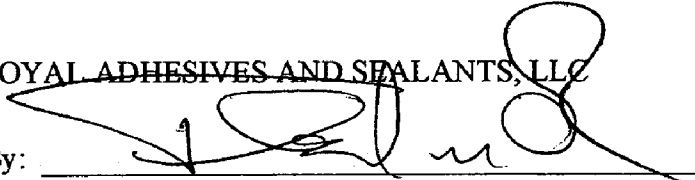
INDUSTRIAL ADHESIVE CO.

By: 
Name: Manuel Belbis
Title: President

SHAREHOLDER:

MANUEL BELBIS

Mantel Belbis
Address: 9748 S. Pemberly Ct.
Palos Hills, Illinois 60465

BUYER:

ROYAL ADHESIVES AND SEALANTS, LLC

By:
Name: Theodore M. Clark
Title: Chief Executive Officer

TOLLING AND SUPPORT AGREEMENT

THIS TOLLING AND SUPPORT AGREEMENT (this "Agreement") is made and entered into as of this 14th day of September, 2007, by and between Industrial Adhesive Co., an Illinois corporation with offices at 130 N. Campbell Ave., Chicago, Illinois 60612 ("Seller"); and Royal Adhesives And Sealants, LLC, a Delaware limited liability company with offices at 2001 W. Washington Street, South Bend, Indiana 46628 ("Royal").

WHEREAS, the Seller is engaged, among other things, in the business of producing certain industrial adhesive products for sale and use by other manufacturers, including the Products identified as Schedule 1 to this Agreement at the facilities of Seller at its address set forth above (the "Facility");

WHEREAS, Royal has purchased certain Purchased Assets from Seller pursuant to an Asset Purchase Agreement between Royal and Seller, dated as of August 10, 2007 (the "Asset Purchase Agreement");

WHEREAS, Royal intends to develop the ability to manufacture the Products in its own facilities as soon as commercially practical, to obtain all necessary Customer approvals to supply Products, and to begin promoting and selling the Products to general industrial and commercial businesses and to transition the production of Products from Seller's facility to Royal's facility as soon as Royal is able to make Products to the Specifications;

WHEREAS, Seller developed the Intellectual Property on which the Products are based, has the technical and manufacturing ability, experience and expertise to manufacture the Products in conformance with the Specifications, and has agreed to use commercially reasonable efforts to assist Royal in transitioning the Products on behalf and for the benefit of Royal pursuant the Asset Purchase Agreement and the Related Agreements; and

WHEREAS, Seller has agreed to manufacture Products under this Agreement exclusively for Royal until the Agreement expires or is terminated as set forth herein.

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Agreement and of the representations, warranties, conditions and promises contained herein, and intending to be legally bound, the parties hereto agree as follows:

1.0 **Definitions.** In this Agreement, all capitalized terms shall have the same meaning as those terms are defined in the Asset Purchase Agreement and in addition, the following terms shall have the following meanings:

1.1 "Commencement Date" means the date on which Royal acquires the Business and the Purchased Assets pursuant to the Asset Purchase Agreement.

1.2 "Customer" is any Person that uses, purchases or re-sells, or has used, purchased or re-sold the Products, including customers identified on the Customer Lists.

1.3 "Including," "include" or "includes" mean including as an example, without limiting the generality of the universe described.

1.4 "Order" shall mean a purchase order placed with Seller by Royal or a Customer that sets forth the quantities, package configurations, delivery dates, preferred method of shipment, shipping instructions and name and address of Royal's Customers or Royal's warehouse, as the case may be, for Products.

1.5 "Period of this Agreement" means the period beginning with the Commencement Date and ending as provided in Section 15 unless terminated sooner in accordance with the provisions of this Agreement.

1.6 "Products" means the Products identified as of the date of this Agreement as listed in Schedule 1, and each intermediate and component of the Products including all modifications, enhancements, improvements to the Products, together with all packaging, labels, material safety data sheets and other Documents reasonably necessary to ship and deliver such Products to Customers.

1.7 "Proprietary Information" means all Intellectual Property and other information relating to manufacturing, testing, packaging and shipping of the Products, and all other information disclosed to or developed by Seller concerning the Products whether or not such information became known to Seller before or during the term of this Agreement including production, evaluation and testing records.

1.8 "Raw Materials" means all polymers, resins, intermediates, pigments, plasticizer, solvents, catalysts, curing agents, adhesion promoters and other components and the containers (including metallic and plastic containers, totes, cartridges, cartons, pallets, over packaging and labels) and all other materials necessary for the manufacture, packaging and shipping of the Products.

1.9 "Specifications" means the inspection and approval criteria in for the Raw Materials and Products as of the time a Product is manufactured or processed including,

1.9.1 the identity, supplier, grade, acceptance criteria and TSCA certification of the Raw Materials and the packaging and labeling of the Products and health and safety information needed to meet statutory requirements together with any additions or amendments thereto as notified by Royal and agreed to by Seller in writing from time to time, and

1.9.2 Customer and manufacturing criteria, information, parameters and specifications to which the Raw Materials and Products are inspected, tested, represented and sold.

2.0 Reserved.

3.0 Charges and Purchase Price of Products. Royal shall pay Seller a conversion fee of Fifteen thousand dollars (\$15,000.00) per month for services performed and Products produced under this Agreement (the "Tolling Fee"). The Tolling Fee shall include all Seller's costs related to converting Raw Materials to Products, including Seller's direct labor, utilities and plant overhead and administrative costs. The Tolling Fee shall be due in equal installments on the first day and the fifteenth day of the calendar month to which it applies.

4.0 Orders for the Products.

4.1 Subject to the terms and conditions set forth in this Agreement, Seller shall manufacture, test, and package the Products and deliver the Products to Royal or to Royal's Customers as the case may be, as directed by Royal.

4.2 Royal will transmit Orders for Products from time to time during the month by mail, confirmed facsimile or confirmed e-mail. Seller shall manufacture, test, package, prepare for shipment and ship such Products within a lead time of five (5) Business Days, provided, however, that if Seller is unable to ship any such Orders within such lead time due to lack of production capacity, the parties shall consult with each other for the purpose of establishing a production schedule, which shall be set forth in a writing signed by both parties.

4.3 All Orders will be subject to the standard conditions of purchase of Royal. A copy of the conditions as in force at the Commencement Date is attached to this Agreement as Schedule 2. If such conditions of purchase conflict with the conditions of this Agreement, then the conditions of this Agreement shall supersede any such conflicting conditions. Except as provided in this Section 4.3 no acknowledgement forms, shipping documents or other documents which either of the parties may enclose with orders, confirmation of orders, invoices and the like shall vary or add to such conditions of purchase.

4.4 All Orders shall be for Products which include for greater certainty "Coating H" and "Gloss Coat". Seller shall not be required to manufacture any other new product at the Facility unless both parties first agree in writing.

5.0 Raw Materials, Labeling and Marketing.

5.1 Royal shall be responsible for obtaining all Raw Materials and ensuring that Seller has sufficient quantities of Raw Materials available to meet all Royal's order requirements.

5.2 Seller shall inspect Raw Materials to ensure that the Raw Materials comply in all respects with the Specifications and in accordance with the Proprietary Information such that the finished goods produced will meet or exceed the Specifications for Products. Royal may inspect and test Raw Materials in its reasonable discretion. Seller will not substitute, rework or otherwise change any Raw Material from the Raw Material specified in the formulas for any Product without the prior written consent of Royal, which will not be unreasonably withheld. Should it become necessary or commercially advantageous to Royal to make changes in the Specifications for Raw Materials or Products, or if requested by Customers to make such changes during the term of this Agreement, the Seller and Royal will cooperate in good faith to adopt such changes and incorporate them into the Specifications.

6.0 Manufacturing Requirements and Quality Control.

6.1 Throughout the Period of this Agreement, Seller shall maintain sufficient and capable manufacturing, testing, packaging and storage facilities, including, but not limited to its manufacturing and testing equipment; its materials processing, handling, and testing capabilities; and its procedures and policies fully compliant and in good operable and fully calibrated condition, and shall maintain a qualified labor force and staff capable of manufacturing and testing the Products.

6.1.1 Any equipment, tools, testing apparatus, documents, or materials belonging to Royal or furnished to Seller by Royal for the purpose of performing services under this Agreement shall remain the property of Royal and Royal shall have the right to repossess any such materials at any time either by taking possession or by the exercise of all legal and equitable remedies available to Royal.

6.2 Seller shall meet or exceed the quality control requirements and procedures as set forth on the respective Specifications for each Product. Seller shall comply with reasonable changes to the Specifications as subsequently advised from time-to-time in writing to Seller by Royal which shall be within applicable industry standards for the Products. Seller shall deliver to Royal a sample of Products, packaged as directed by Royal, together with Seller's certification that each Product conforms to its respective Specifications. Seller shall provide copies of batch sheets, production records, quality control tests, labels, analyses and all other records relating to the production and testing of the Products to Royal. Seller will retain a sample for each batch of Product in accordance with Royal's instructions during the term of this Agreement and then will forward such retained samples to Royal upon Royal's request and at Royal's expense.

6.3 During the Period of this Agreement Seller shall allow Royal and its representatives, upon reasonable advance notice, access to the Facility to consult with and observe the manufacture and testing of Products, to learn manufacturing processes and techniques, and to facilitate Seller's Transition Support.

6.4 Without prejudice to Royal's other remedies Royal may return any Products to Seller at Seller's risk and expense provided such Products are defective or do not conform to the Specifications. Seller shall promptly pay to Royal the cost of Raw Material for such returned Products and any other sums paid by Royal, other than Tolling Fees. Without limiting the foregoing, Royal may deduct from any unpaid Tolling Fees the Raw Material cost of Products that are defective or that do not conform to the Specifications.

6.5 Any unacceptable, defective or non-conforming Products, intermediates or Raw Materials, whether identified at Seller's facilities or returned to Seller, shall be stored, packaged, transported and disposed of by Seller in conformance with all applicable laws and regulations. Royal shall not be deemed a generator or arranger under the Resource Conservation and Recovery Act

("RCRA") or any other applicable regulations. All storage, transportation and disposal costs and risks for unacceptable, defective or non-conforming Products shall be borne by Seller.

6.6 Seller acknowledges that the Products and Raw Materials used in the manufacture thereof contain hazardous or toxic substances. Seller shall at all times operate and maintain the Facility in compliance with all applicable federal, state, and local health, safety and environmental laws and regulations governing the manufacture, handling and packaging of the Raw Materials and the Products as well as all other federal, state or local laws, rules, regulations, directives or orders applicable to the manufacture, sale and transportation of the Products. Seller shall comply with all pertinent warnings or instructions of the manufacturer of any Raw Materials and undertake all pertinent employee training programs to ensure compliance with any such instructions. Seller shall provide details of such compliance to Royal upon reasonable request

6.7 Nothing in this Agreement shall be construed as requiring Seller to manufacture any Product when doing so would cause Seller to be in violation of any applicable health, safety or environmental laws or regulations.

7.0 Labeling and Packaging. Seller shall label and mark packages containing Products as set out in the Specifications or as otherwise directed in writing by Royal and as required by applicable laws and regulations. Seller hereby acknowledges and agrees that the Trademarks, together with all other trade names, logotypes, designs or product and company designations used by Royal in connection with the Products are the exclusive property of Royal and neither Seller nor any Person claiming through Seller shall have any right of ownership, license, right to use, goodwill or any other such right to such names or designations. Seller shall not use any packaging materials bearing Royal's name, Trademarks, trade names, logos or other identifying marks for any purpose other than performing its obligations under this Agreement.

8.0 Delivery.

8.1 Delivery shall be from Seller's Facility at Chicago, Illinois to Royal's Customers or Royal's warehouse in such quantities, configurations and delivery dates as specified by Royal in the Orders, FOB loading dock at manufacturing location. Unless otherwise agreed by the parties, common carriers shall be specified by Royal, and all freight, insurance, handling and storage charges shall be paid directly by Royal.

8.2 Seller shall package all Products in accordance with applicable regulations, carrier's requirements, Customer requirements conveyed to Seller by Royal in writing with and at the time of the applicable Order and terms of the order, and will include all applicable documentation including bill of lading, packing list, material safety data sheet, test reports, certifications and any other documents. Seller will inform Royal of all details regarding the means of shipment sufficient for Royal to track the shipment, including carrier, bill of lading, waybill number, freight forwarder, and all other applicable information.

9.0 Records.

9.1 Seller will maintain supplier, production and quality control records relating to the Products, Raw Materials and labeling used in the manufacture of Products during the Period of this Agreement (the "Manufacturing Records"). All Manufacturing Records are Proprietary Information of Royal. The originals and all copies of all Proprietary Information including Manufacturing Records shall be delivered to Royal upon expiration or termination of this Agreement. Should regulators or insurers of Seller require inspection of Manufacturing Records after they have been delivered to Royal, Royal shall permit such inspection of any such documents in its possession and control provided Seller gives reasonable notice identifying the specific documents and the reason for the request and adequately provides for the protection of the confidentiality of Proprietary Information.

9.2 To enable batch traceability, Seller will use a coding system agreed with Royal for the Products.

9.3 Seller shall, at the request of Royal, provide Royal with a statement of the Raw Material and finished goods inventory of Products at the end of each calendar month in such form and detail as Royal may reasonably request.

10.0 Disclosure of Information, Confidentiality and Competition.

10.1 Seller acknowledges that its continued access to and use of the Proprietary Information and to other confidential information or trade secrets of Royal ("Royal Confidential Information") is permitted by Royal only for the purposes set out in this Agreement and the Asset Purchase Agreement. All inventions, patentable or otherwise, trade secrets, discoveries, ideas, writings, technology, know-how, improvements or other advances or findings relating to Products or technology resulting from work specifically performed by Seller for Royal under this Agreement and during the term of this Agreement shall be and become Proprietary Information. Seller agrees that it shall hold Proprietary Information and Royal Confidential Information in the strictest confidence as follows: Seller agrees not to divulge, communicate or disclose to any Person, or use to the detriment of Royal or for the benefit of any other Person, any Proprietary Information, including Intellectual Property or Royal Confidential Information at any time without the express, prior written consent of Royal.

10.2 Seller may disclose Proprietary Information and Royal Confidential Information to those of its employees who are reasonably required to perform Seller's obligations under this Agreement, provided such employees shall have first executed an employee confidentiality agreement reasonably satisfactory to Royal. A copy of an employee confidentiality agreement acceptable to Royal is attached as Schedule 3.

10.3 Seller shall keep the nature, contents and existence of this Agreement confidential and shall not make any disclosure to any third party regarding the nature, contents and existence of this Agreement without the prior written permission of Royal, other than to its lawyers and to its financial and accounting advisors or as may be required in any proceeding or compelled by any tribunal of competent jurisdiction, in which case, disclosure may be made not less than thirty (30) days after Seller has provided notice to Royal of the proceeding.

10.4 Except as provided in Section 15.5, on termination of the Agreement and upon Royal's request and at Royal's option and expense, Seller shall return all originals and copies of Proprietary Information, Royal Confidential Information and Specifications or shall destroy such copies and provide evidence to Royal of such destruction. All rights to and property in the Proprietary Information, Royal Confidential Information and the Specifications shall remain exclusively with Royal. Seller shall use the Specifications only for the purpose of manufacturing the Products for supply to Royal and for no other purpose whatsoever. Notwithstanding the foregoing, Seller may retain copies of any such documents as may be required by applicable laws and regulations, or necessary to defend any lawsuit filed and served prior to termination, the subject matter of which is the Products.

10.5 Seller and Royal are parties to a Non-Competition Agreement, dated as of _____, 2007, entered into in connection with the Asset Purchase Agreement. Nothing in this Agreement is intended to limit or in any way abrogate the terms, effect or intent of the Non-Competition Agreement.

10.6 Seller shall use the Proprietary Information only in connection with the manufacture and production of the Products under this Agreement. Seller shall have no right whatsoever to disclose or use the Proprietary Information and no license is granted or implied under this Agreement except as expressly provided in this Agreement and any and all of such rights shall be terminated upon the expiration or termination of this Agreement.

10.7 Seller agrees to cooperate with Royal in securing for Royal any patents, copyrights, trademarks or the like which Royal may seek anywhere in the world to obtain in connection therewith, and Seller and persons employed by or otherwise engaged by Seller shall execute, acknowledge and deliver to Royal all instruments which Royal shall reasonably require, give evidence and do all things which are necessary or desirable to enable Royal to file and prosecute applications for, and to acquire, maintain and enforce, all letters patent, trademark registrations or copyrights in all countries covering such Proprietary Information.

11.0 Limited Warranty.

11.1 Seller represents and warrants that:

11.1.1 All Products manufactured, packaged and delivered by Seller will meet or exceed the Specifications in effect as of the time of shipment,

11.1.2 The Products, when delivered, will be of good and merchantable quality, fit for the purpose intended,

11.1.3 Seller has the necessary experience, expertise and equipment to manufacture, handle, package and ship the Products, and

11.1.4 Royal shall receive good and marketable title to the Products free of any claims, liens or encumbrances.

11.2 Seller shall comply with applicable law and regulations. Seller shall manufacture, test and package all Products in a good and workman like manner. Seller shall prepare a certification that each Product meets or exceeds the Specifications which certification shall accompany each shipment.

11.3 Seller must provide notice to Buyer for any and all claims for breach of Seller's warranty pertaining to Products manufactured under this Agreement within one (1) year from date of shipment to Royal or its customers or such claims shall be barred.

12.0 Indemnification.

12.1 Seller shall defend, indemnify, and hold harmless Royal, its agents and employees from and against all claims, actions, losses, damages, judgments and expenses (including reasonable attorneys fees) arising out of:

12.1.1 the performance, failure to perform or improper performance of work under this Agreement by Seller or any other breach by Seller of the terms and provisions of this Agreement,

12.1.2 Seller's receipt, possession, handling, processing, manufacturing, packaging or shipment of any Raw Materials, intermediates and the Products,

12.1.3 the failure of any Product to meet the Specifications,

12.1.4 any violation or alleged violation by Seller of any federal, state or local statutes, ordinances, orders, rules, regulations or directives applicable to the receipt, possession, handling, processing, manufacturing, packaging or shipment of the Products or any Raw Materials or intermediates used in the manufacture of the Product or the disposal of any waste or by-product arising or resulting from the manufacture of the Products,

12.1.5 any negligent or willful act or omission of Seller, its employees, subcontractors or agents,

12.1.6 the generation, handling, storage, treatment or disposal of any solid or liquid waste or by-products arising or resulting from the manufacture of the Products pursuant to the terms of this Agreement., and

12.1.7 any other obligations and liabilities of Seller.

12.2 Seller shall indemnify, defend, and hold Royal harmless from and against all claims, actions, losses, damages, and expenses by Seller's employees, agents, consultants or other Persons for injuries, illnesses and other damages incurred at Seller's locations or while in the employment of or performing services for Seller.

12.3 Royal does not assume any obligation whatsoever of Seller, and Seller shall indemnify, defend, and hold Royal harmless from and against all claims, actions, losses, damages, and expenses arising from:

12.3.1 any environmental damage, costs and liabilities arising from environmental, health, or safety conditions, or the release of a contaminant into the environment, for any act, omission, condition, event or circumstance to the extent occurring or existing at any time at the Facility; including without limitation all environmental costs and liabilities relating in any manner to a Seller's direct or indirect handling, storage, transportation or disposal of any hazardous materials or contaminants,

12.3.2 any of Seller's liabilities in respect of any taxes, including any taxes or any fees arising in connection with the consummation of the Transactions, any tax or liability of any stockholder of a Seller or its Affiliates and any of Seller's fees and expenses incurred in connection with the transfer of the Assets,

12.3.3 any brokers' or finders' fees, or other liability of Seller for costs and expenses (including legal fees and expenses) incurred in connection with this Agreement or the consummation of the Transactions,

12.3.4 any liability or obligation of Seller under this Agreement or the Related Agreements,

12.3.4 any indebtedness of Seller, any obligations or liabilities, including severance, pension plan benefits and compensation, for Seller's employees or retirees,

12.3.4 any liabilities from any claim arising from the discharge of Seller's employees and relocation of the Business including WARN Act requirements and state law equivalents,

12.3.5 any obligation or liability arising as a result of or whose existence is a breach of Seller's representations, warranties, agreements or covenants,

12.3.6 any liability of any kind relating to any claim that a product manufactured or shipped by Seller is or was defective, or that Seller is or was negligent, or from any representation, act or omission of Seller concerning any Product,

12.3.7 liabilities or obligations under contracts, inventory purchase orders, leases, subleases, commitments, permits and approvals not assigned to and assumed by Royal pursuant to the terms of the Asset Purchase Agreement or this Agreement,

12.3.9 liabilities for any violation of any law or regulation including violations of the Toxic Substance Control Act,

12.3.10 obligations or liabilities arising from transactions or financing between or among any Affiliate of Seller,

12.3.11 liability for wages, vacation, bonus, severance or other compensation owed to or accrued for any employee of Seller,

12.3.12 each and all or any of Indebtedness and Liens as defined in the Asset Purchase Agreement, and

12.3.13 liabilities for any and all other claims against Seller.

This Agreement is not intended to enlarge any rights of third parties under contracts or arrangements with Seller.

12.4 Other than executory obligations of Seller under the Orders in effect on the Commencement Date, Royal shall not assume or be responsible for any debts or liabilities of Seller and any and all obligations, duties and liabilities of Seller shall be the sole and complete responsibility of Seller, who shall indemnify, defend and hold harmless Royal on account thereof.

12.5 Royal agrees to defend, indemnify and hold Seller, its agents and employees harmless from and against all claims, actions, judgments, losses and expenses, including attorney fees, sustained or incurred by Seller, its agents or employees which arises or results from

12.5.1 the performance, failure to perform or improper performance of work under this Agreement by Royal or any other breach by Royal of the terms and provisions of this Agreement

12.5.2 Royal's handling, storage or shipment of Products which conform to the Specifications,

12.5.3 any errors or omissions in any formula that was not part of the Intellectual Property for a Product provided to Seller by Royal as herein provided or the infringement or misappropriation of any third party's intellectual property rights relating to any formula provided hereunder.

12.6 Royal shall indemnify, defend, and hold Seller harmless from and against all claims, actions, losses, damages, and expenses by Royal's employees, agents, consultants or other Persons for injuries, illnesses and other damages incurred while in the employment of or performing services for Royal and at Royal's locations.

13.0 Insurance. During the term of this Agreement, and for a period of one (1) year thereafter, Seller agrees to maintain in full force and effect, at its own expense, Commercial General Liability and Excess Liability insurance (including but not limited to coverage for products liability and completed operations, independent contractors and broad form contractual liability), written on a "claims made" basis, naming Royal as additional insured. Royal shall provide reciprocal insurance coverage with respect to Seller's employees or agents, if any, providing services in Royal facilities, naming Seller as additional insureds. The insurance shall provide combined single limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. Seller shall maintain workers compensation insurance covering its employees as required by law. Each party shall provide proof of insurance and payment of premiums on reasonable request of the other.

14.0 Force Majeure.

14.1 Either party shall be excused for an inability to perform or a delay in performance when the inability or delay is due to any cause beyond its reasonable control, including but not limited to an act of God, storm, flood, earthquake, labor strike or other labor work stoppage, equipment failure, war, rebellion, riot, sabotage, fire, explosion, unforeseeable Raw Material shortage and government act or regulation.

14.2 The affected party shall promptly notify the other party of the occurrence of such a cause and specify its reasonable efforts to remove the cause of its inability to perform or delay in performance; provided, however, the affected party shall not be required to settle a labor dispute against its own best judgment.

14.3 If Seller is prevented by force majeure from supplying the Products ordered by Royal for a period of thirty (30) days, Royal shall have the right to terminate this Agreement or to obtain the Products from such source as Royal shall determine at in its sole discretion, or both.

14.4 The Tolling Fee payable pursuant to Section 3.0 shall be prorated for any period of time that Seller are temporarily or permanently unable to supply any material part of the Products in accordance with the terms of the Orders,

14.4.1 for any reason of force majeure, or

14.4.2 if for any reason the manufacturing capacity at any Facility is temporarily or permanently reduced to the extent that Seller is unable to fulfill its obligations to Royal under this Agreement in full.

This Section 14.4 is without prejudice to any right or remedy which Royal may have under this Agreement for any failure by Seller to meet the requirements of any Order.

15.0 Termination.

15.1 This Agreement shall continue and be in force and effect for a period of three (3) months from the Commencement Date. Royal shall have the option to extend this Agreement for an additional term of three (3) months from and after the initial term, and may be further extended by the mutual written agreement of the parties. Royal shall provide notice of its intention to extend the term of this Agreement not later than thirty (30) days from the expiration of this Agreement. If this Agreement is extended beyond the initial term, Royal shall have the option to terminate this Agreement at any time upon thirty (30) days written notice to Seller.

15.2 If one party defaults in the performance of its duties and obligations under this Agreement, the non-defaulting party shall give written notice to the defaulting party specifying the basis of the default. If the defaulting party does not correct or cure the default within thirty (30) days after receiving notice of same, the non-defaulting party may be suspended until such breach is cured by the breaching party or this Agreement is terminated by giving written notice.

15.3 Either party may terminate this Agreement forthwith upon written notice to the other if the other party is declared bankrupt or insolvent or receivership proceedings are filed against or by it; or it makes a general assignment for the benefit of creditors; or it is dissolved or liquidated, except in

consequence of a merger, acquisition, consolidation or other corporate reorganization; or it is ordered by competent authorities to suspend its operation for any reason whatsoever for a period in excess of ten (10) days. If either party hereto is involved in any of the events referred to in this paragraph, such party shall immediately notify the other party of the occurrence of such event.

15.4 Upon expiration or termination of this Agreement, Seller shall ensure that all Inventory, including Raw Materials and finished Products, is securely and properly packaged and labeled for shipment, and Seller shall deliver all Inventory to Royal pursuant to Section 8.1.

15.5 Upon expiration of this Agreement or receipt of notice of termination,

15.5.1 Seller will duly, and in good faith fulfill all Orders placed by Royal up to the date of the expiration of the notice of termination within the lead time set forth in Section 4.2, and

15.5.2 Seller will return to Royal all documents regarding the Products and their manufacture, including all Proprietary Information and Intellectual Property and all copies thereof and will make no further use of the Proprietary Information pursuant to the provisions of Section 10.4.

15.6 Termination of this Agreement shall not limit or affect the subsisting rights of either party at the date of termination, including obligations that cannot or are not intended to be performed until termination, and including the obligation of Seller contained in this Agreement in Sections 6.4, 6.5, 10.0 through 13.0, 15.4, 15.5, 17.1 17.5, 17.7 and 17.10 each of which shall continue according to its terms.

16.0 Notice. Any notice or consent to be given under this Agreement shall be in writing and sent by first class US mail, nationally-recognized overnight courier service or delivered by hand in accordance with notice requirements in the Asset Purchase Agreement. Such notice shall be deemed to be received within three (3) working days of posting by registered mail or immediately upon receipt if delivered by hand.

17.0 Miscellaneous Provisions.

17.1 Seller shall not supply Products to any party other than Royal, or as directed by Royal, and shall manufacture quantities of Products only against Orders for Products placed by Royal in accordance with the terms of this Agreement.

17.2 Seller is an independent contractor engaged by Royal to perform services under this Agreement and neither Seller is hereby authorized to act as an agent of Royal for any purposes whatsoever. The manufacture of the Products will at all times be under the exclusive control and responsibility of Seller.

17.3 Seller shall neither assign nor sub-contract its obligations hereunder without the express written consent of Royal. Royal may assign this Agreement and its rights and obligations hereunder to any Affiliate that shall assume Royal's obligations hereunder, provided Royal shall give Seller thirty (30) days prior written notice of such assignment and assumption.

17.4 The failure of either party at any time to enforce any provision of this Agreement, to exercise its rights under any provision, or to require a certain performance of any provision, shall in no way be construed as a waiver of such provision, nor in any way affect the validity of this Agreement or the right of the party thereafter to enforce each and every provision. If any provision of this Agreement shall be held unenforceable or invalid, the remaining provisions shall continue in force.

17.5 This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana.

17.6 This Agreement may not be amended or any provision thereof waived unless by a writing signed by the parties; and shall be binding upon and inure to the benefit of the parties and their respective heirs, assigns, successors and legal representatives; and shall, as to Seller, not be assigned without the prior consent of Royal.

17.7 Any and all disputes arising under this Agreement shall be resolved by the parties pursuant to the processes, procedures and terms of the Asset Purchase Agreement, which processes, procedures and terms are incorporated in this Agreement as though set forth in their entirety.

17.8 The headings of the Sections contained in this Agreement are for convenience of reference only and do not form a part hereof.

17.9 This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same Agreement, and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties.

17.10 Seller and Royal agree to perform such additional acts and execute and/or deliver such further documents as may be necessary to fully effect the transactions contemplated by this Agreement.

IN WITNESS WHEREOF, Seller and Royal have caused this Agreement to be duly executed and delivered in its name and on its behalf, all as of the day and year first above written.

ATTEST:

SELLER:

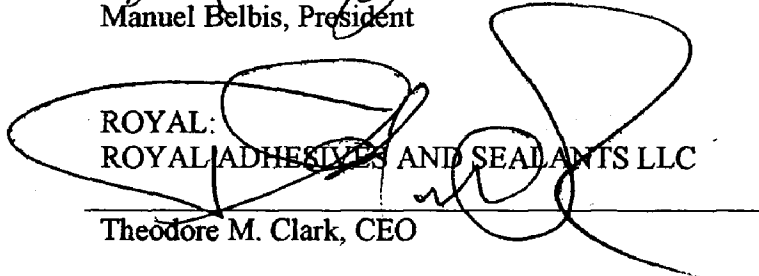
INDUSTRIAL ADHESIVE CO.


Manuel Belbis, President

ATTEST:

ROYAL:

ROYAL ADHESIVES AND SEALANTS LLC


Theodore M. Clark, CEO

SCHEDULE 1

PRODUCTS

**Industrial Adhesive – Royal Tolling and Support
081007**

**TRADEMARK
REEL: 003675 FRAME: 0563**

Business

Industrial Adhesives, Inc. (the "Seller") is a manufacture and marketer of water-based adhesives for the paper & packaging industry. The Seller's Products are used in the labeling of PET bottles, the lamination of thin sheets of foil, and the conversion of paper stock into products such as plates, cups, envelopes, cartons, and file folders. Below is a sample list and description of the Products:

Product Description

M6-2M exclusively to Hallmark	A coating for the top of paper plates to make the plates sturdy. Coating sold
323	An adhesive used in paper cups
L16-213	An adhesive used in boxes and bags
HM9600	A hot melt adhesive used in glue guns
L16-95-1	A USDA-approved coating used in laminated wax paper between hamburger patties. Product sold exclusively to Formax
HM5000	A hot melt adhesive used in glue guns
CT25-5HS PINK Packaging	An adhesive used in french fry packaging. Product sold exclusively to Paris
6JEC104-12	An adhesive for no-odor foil laminating
HM4218	A hot melt adhesive used in glue guns
JEC147-1M	An adhesive used to glue paper bag seams

A complete list of Seller's Products will be delivered to Buyer at or before the Closing.

SCHEDULE 2
ROYAL CONDITIONS OF PURCHASE
As of January, 2005
Copy Attached

Industrial Adhesive – Royal Tolling and Support
081007

TRADEMARK
REEL: 003675 FRAME: 0565

CONDITIONS OF PURCHASE

Seller by accepting this order agrees to the following:

1. The within purchase order and these conditions together with any other documents expressly incorporated into the foregoing contain the entire offer by Buyer to Seller and there are no prior or contemporaneous oral or written understandings or agreements binding on Buyer affecting the subject matter of the within order other than those expressly referred to therein. No agreement, other understanding, or acknowledgement, invoice, or other form used by Seller, in any way purporting to modify or alter the provisions of the contract resulting from acceptance by Seller of the within order will be binding upon Buyer unless made in writing and signed by Buyer's authorized representative.

In the event Seller takes exception to and/or wishes to add any terms or conditions to this order, Seller shall contact the signer of this order immediately and shall not proceed with this order unless or until mutual agreement has been achieved.

2. Seller warrants that goods or services furnished hereunder shall conform to approved samples or specifications, if any, and shall be free from defect in workmanship and material. All such goods and work shall be subject to inspection and to rejection by Buyer for breach of warranty within a reasonable time after receipt of completion, as the case may be, but all warranties by Seller shall survive any inspection and/or acceptance of the goods or work by Buyer. Seller shall not replace defective goods without the prior written consent of Buyer.

3. Seller shall hold and save harmless Buyer, its officers, agents, employees and transferees from liability of any nature or kind, under United States Letters Patent, including costs and expenses, for or on account of the use, sale or lease of any invention or patented or unpatented article or appliance furnished or used hereunder, including the use or disposal of the said items for their intended purpose by or on behalf of Buyer. Seller, by its counsel and at its expense, shall assume and defend all claims, demands and suits for infringement of any patent against Buyer, its officers, agents and employees within the scope of the undertakings of the seller in the preceding sentence. Seller's obligations hereunder shall not apply to any invention, article or appliance manufactured to Buyer's detailed design.

4. Seller shall hold and save harmless Buyer, its officers, agents, employees and transferees from liability of any nature or kind, including costs and expenses, for or on account of any infringement or claim of infringement of any copyrighted matter arising from the intended use of goods or services furnished hereunder. Seller by its counsel and at its expense shall assume and defend all claims, demands and suits for infringement of any copyrighted matter against Buyer, its officers, agents and employees within the scope of Seller's undertakings in the preceding sentence.

5. Failure or indulgence of buyer to insist on strict performance or observance by Seller of the within order or of these conditions or the rights of Buyer in any one or more instances shall not constitute a waiver by Buyer of such performance, conditions or rights in any other instance or instances or for the future.

6. Seller represents and warrants that the goods or services furnished hereunder were produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the Department of Labor issued under Section 14 thereof.

7. The Equal Opportunity Clause of Section 1.4 of the Rules and Regulations of the Office of Federal Contract Compliance Programs related to Executive Order 11246, the Affirmative Action Clause of Section 741.4 of the rules and Regulations of the Office of Federal Contract Compliance Programs related to Affirmative Action Programs for Handicapped Persons, and the Affirmative Action Clause of Section 250.1 of the Rules and Regulations of the Office of Federal Contract Compliance Programs related to Affirmative Action Regulations for Veterans of the Vietnam Era are hereby incorporated by reference.

8. Seller represents and warrants that the goods or services furnished hereunder (including all labels, packages and containers for said goods) comply with all applicable standards, rules and regulations in effect under the Williams-Steiger Occupational Safety and Health Act of 1970 with respect to design, construction, manufacture or use for their intended purpose of said goods or services.

9. Seller represents and warrants that the prices charged for the goods or services covered by this order are and will continue to be the lowest prices charged by Seller to buyers of a class similar to Buyer under conditions similar to those specified in this order and that the prices comply with all applicable governmental laws and regulations in effect at time of quotation, sale or delivery. Seller agrees to make any price rebate which the foregoing representation and warranty may require.

10. Buyer at its option may return any goods which are defective, unsatisfactory, or of inferior quality or workmanship, or fail to meet the specifications or other requirements of this order, at Seller's risk and expense; and Seller shall reimburse Buyer for all prior payments therefore and/or costs incurred in connection with delivery or return of such goods.

11. Buyer shall in no event be liable to Seller for special, contingent or consequential damages.

12. A waiver by Buyer of a breach of any provision hereof by Seller shall not be a waiver of any other breach of such provision or of any other provision hereof.

13. Buyer may at any time terminate this contract or any part hereof with respect to goods or services specified for delivery or performance more than thirty (30) days after the date hereof by giving written notice to Seller of such termination. In the event of termination, and provided Seller is not in default hereunder, Buyer shall be liable, subject to Condition 11 above, for damages suffered by Seller by reason of such termination but not exceeding the contract price specified in this order and in no event including any anticipated profit on work not performed or goods not furnished.

14. All specifications, drawings, blueprints, photostats and all other information furnished to the Seller in connection with this order are, and shall remain, the property of Buyer. Seller will keep the same confidential and will not use or reproduce the same except for the performance of this order, and on completion or termination of this order or upon the written demand of Buyer, Seller will return the same and any and all copies thereof. Buyer reserves the right to withhold payment of the final invoice until such return is made and received.

15. Any delays or failure by Buyer in the performance of this Agreement shall be excused if such delay or failure arises out of causes beyond the control and without fault or negligence of Buyer, including but not limited to decrees or restraint of Government, acts of God, strikes, labor "holidays" and/or coercive action of workmen, fire, flood, windstorm, explosion, civil disturbances, riots, war, sabotage, and any cause whether similar or dissimilar to any of those named above beyond the reasonable control of Buyer, provided that prompt written notice of such delay is given to the Seller.

16. Any notice of assignment of the proceeds of this purchase order must be written and delivered to the person whose signature appears on the front of this order. Affected invoices must carry appropriate notations.

Rev. 10/96

TRADEMARK
REEL: 003675 FRAME: 0566

**SCHEDULE 3
EMPLOYEE CONFIDENTIALITY AGREEMENT**

**Industrial Adhesive – Royal Tolling and Support
081007**

**TRADEMARK
REEL: 003675 FRAME: 0567**

**INDUSTRIAL ADHESIVE CO.
CONFIDENTIALITY AGREEMENT**

I, _____, understand that it is the policy of Industrial Adhesive Co. (the "Company") that all information relating to the Company and its owners and subsidiary companies, or to the products, assets, liabilities, customers, suppliers, personnel and business practices of the Company and its customers be maintained in strict confidence.

In consideration of my employment and the compensation paid to me by the Company, I agree as follows:

1. For the purposes of this Agreement, "Confidential Business Information" shall include, but not be limited to, information owned by the Company or its customers, including Royal Adhesives and Sealants LLC, whether privileged or not, included in all customer lists, employee lists, formulae, drawings, processes and process parameters, data, observations, manufacturing techniques, testing criteria and methodology, methods, practices, fabrication techniques, computer data bases, software programs, codes, designs, plans, proposals, marketing and sales plans, distribution channels and methods, financial and statistical information, costs, pricing information, supplier identification, raw materials, test results, plant layout, samples and specimens and all techniques, concepts or ideas in or reasonably related to the business of the Company, whether in the form of documents or things or both. Confidential Business Information includes, in particular all such information relating to the Basic Adhesives Industrial Product Line and other products made by Company for Royal Adhesives and Sealants LLC

2. I will regard and preserve as confidential all Confidential Business Information, which may be obtained by me as a result of my employment. I will not use any Confidential Business Information for my own benefit or purposes. I will not disclose or deliver Confidential Business Information to others, either during my employment or thereafter, except as required as part of my duties during my employment with the Company. I will not take or retain or copy any of the Company's documents or things which contain or include Confidential Business Information whether or not designated or marked "CONFIDENTIAL".

3. I agree that all documents, samples or materials made by me solely or jointly with others during my employment with the Company, or which come into my possession by reason of my employment are the exclusive property of the Company or its customers, including Royal Adhesives and Sealants LLC

4. I agree that upon termination of my employment, I will return to the Company all documents in my possession or control which contain any Confidential Business Information, including but not limited to all original documents and copies of documents, electronic or otherwise.

5. I acknowledge that my complying with the terms of this Confidentiality Agreement is a condition of my continued employment, and if I breach this Agreement in any way, including misuse, misappropriation, or disclosure of Confidential Business Information, I will be subject to disciplinary action up to and including termination of employment and such breach could subject me to personal liability for the consequences of my conduct even after termination.

6. I understand and agree that nothing in this Confidentiality Agreement shall modify my status as an at will employee of Company.

7. The provisions of this Agreement shall be binding on my heirs, personal representatives, successors, and assigns and inure to the benefit of the personal representatives, successors, shareholders, subsidiaries, affiliated corporations, or ventures and assignees of the Company.

8. The Agreement is entered into in the State of New York and shall be construed and interpreted in accordance with its laws.

9. I ACKNOWLEDGE THAT I HAVE READ THIS AGREEMENT AND HAVE BEEN GIVEN A COPY OF IT. I HAVE BEEN GIVEN AN OPPORTUNITY TO DISCUSS THIS AGREEMENT WITH MY EMPLOYER AND ALL QUESTIONS I HAVE HAD HAVE BEEN EXPLAINED TO ME TO MY SATISFACTION. I UNDERSTAND THE MEANING AND SIGNIFICANCE OF THIS AGREEMENT AND AGREE TO ITS TERMS AS A CONDITION OF EMPLOYMENT.

Date: _____

Signature of Employee

Confidentiality Agreement - Employee

COMMISSION AGREEMENT

THIS COMMISSION AGREEMENT (this "Agreement") is made and entered into as of this 14th day of September, 2007, by and between Industrial Adhesive Co., an Illinois corporation with offices at 130 N. Campbell Ave., Chicago, Illinois 60612 ("IAC"); and Royal Adhesives And Sealants, LLC, a Delaware limited liability company with offices at 2001 W. Washington Street, South Bend, Indiana 46628 ("Royal").

WHEREAS, IAC has developed and released for sale to Hallmark Corporation of Kansas City, MO ("Hallmark") new products provisionally called "Coating H" and "Gloss Coat".

WHEREAS, IAC has sold and transferred outright all its right, title and interest in and to its adhesives business (the "Business") to Royal pursuant to an Asset Purchase Agreement dated August 10, 2007 (the "Asset Purchase Agreement"), including the Intellectual Property useful or required to make, use and sell the New Products.

WHEREAS, in connection with the sale of the Business and as partial consideration for entering into the Asset Purchase Agreement, IAC and Royal have agreed to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1.0 In this Agreement, all capitalized terms shall have the same meaning as those terms are defined in the Asset Purchase Agreement and in addition, the following terms shall have the following meanings:

1.1 "Commencement Date" is the first day of the calendar month during which a sale of any New Product is first made, or the first day of the calendar month that is twelve (12) months following the Closing Date, whichever first occurs.

1.2 "Net Sales" means Royal's sales price of New Products actually billed to and received from Hallmark but not including distributor discounts or commissions paid to third party sales representatives, and not including other charges not included in unit prices of New Products to Hallmark such as charges for freight, special packing, warehousing charges, trade discounts taken, returns and allowances, adjustments for customer relations, credits, insurance, duties, costs, state and local taxes.

1.3 "New Products" means the Products provisionally identified as "Coating H" and "Gloss Coat" which are described with more particularity on Schedule 1.3, attached hereto and made a part hereof.

2.0 Commission. Beginning with the Commencement Date and continuing for a period of thirty-six (36) months thereafter, Royal shall pay to IAC a commission of three percent (3%) of the Net Sales of Coating H to Hallmark and a commission of one percent (1%) of the Net Sales of Gloss Coat to Hallmark. Not later than ninety (90) days after each year of the term of this Agreement, Royal shall provide IAC with a schedule identifying all sales of New Products invoiced to and paid by Hallmark together with a check in payment for commissions then due.

4.0 Term and Termination. This Agreement shall become effective on the Commencement Date and shall continue for a period of thirty-six (36) calendar months after which this

Agreement, and all rights and obligations of the parties hereunder shall terminate; provided, however, this Agreement may be terminated earlier as provided herein.

4.1 This Agreement may be terminated by the mutual written consent of each of IAC and Royal;

4.2 Royal may terminate this Agreement if any party to any of the Related Agreements is in default of such agreement and such default continues for more than fifteen (15) days after written notice thereof is given to IAC.

4.3 Either party may terminate this Agreement forthwith upon written notice to the other if the other party is declared bankrupt or insolvent or receivership proceedings are filed against or by it; or it makes a general assignment for the benefit of creditors; or it is dissolved or liquidated, except in consequence of a merger, acquisition, consolidation or other corporate reorganization; or it is ordered by competent authorities to suspend its operation for any reason whatsoever for a period in excess of ten (10) days. The rights conferred on a party pursuant to this paragraph are permissive to that party and are not mandatory. If either party hereto is involved in any of the events referred to in this paragraph, such party shall immediately notify the other party of the occurrence of such event.

5.0 Miscellaneous.

5.1 This Agreement shall be governed by the internal laws of the State of Indiana without giving effect to the conflict of law principles thereof.

5.2 Neither party shall be liable for failure to fulfill its obligations hereunder, or for delays in performance, due to causes beyond its reasonable control, including, but not limited to, acts of God, acts or omissions of civil or military authority, fires, strikes, floods, epidemics, riots or acts of war.

5.3 The parties hereto are independent contractors and nothing in this Agreement is intended to, nor shall it, create any agency, partnership or joint venture relationship between them. Neither party to this Agreement, nor any of its officers, directors, employees or agents, shall have the right or authority to bind or otherwise obligate the other party hereto in any way as a consequence of this Agreement.

5.4 This Agreement sets forth the entire agreement between the parties hereto with respect to the subject matter hereof and is intended to supersede all prior negotiations, understandings and agreements. No provision of this Agreement may be waived or amended, except by a writing signed by the parties hereto.

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

5.6 The failure of either party to exercise any right or remedy provided for herein shall not be deemed a waiver of any right or remedy hereunder.

5.7 If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or otherwise unenforceable, such determination shall not affect the validity or enforceability of any remaining provisions of this Agreement. If any provision of this Agreement is invalid under any applicable statute or rule of law, it shall be enforced to the maximum extent

possible so as to effect the intent of the parties, and the remainder of this Agreement shall continue in full force and effect.

5.8 Any and all notices or other communications hereunder shall be sufficiently given if in writing and sent by hand, facsimile, reputable overnight courier or by certified mail, return receipt requested, postage prepaid, addressed to the party to receive the same at its address as set forth above, or to such other address as the party to receive the same shall have specified by written notice given in the manner provided for in this Section 5.8. Such notices or other communications shall be deemed to have been given on the date of such delivery. Either party may change its address for the purpose of this Agreement by notice to the other party given as aforesaid.

5.9 This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

5.10 The section headings used herein are for the convenience of the parties only, are not substantive and shall not be used to interpret or construe any of the provisions contained herein.

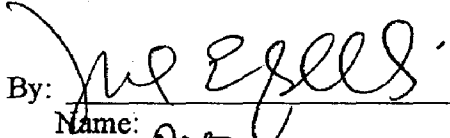
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first set forth above.


IAC

ROYAL

INDUSTRIAL ADHESIVE CO.

ROYAL ADHESIVES AND SEALANTS, LLC

By: 
Name: Mike Egels
Title: Pres

By: 
Name: T. Gordon
Title: CEO

SCHEDULE 1.3

NEW PRODUCTS

Coating H means that product manufactured according to the following formulation:

Gloss Coat means that product manufactured according to the following formulation:

*****CONFIDENTIAL*****
 INDUSTRIAL ADHESIVES COMPANY BOND-PLUS(R)
 130 N. CAMPBELL AVENUE
 CHICAGO, IL 60612
 PHONE: (312) 666-2686 FAX: (312) 666-1824
 www.IndustrialAdhesives.com
 E-Mail: IACbndplus@aol.com

BOND-PLUS® 2RS111-2-1 UNDERCOAT

LOT:

MIXER:

PRODUCT SPECIFICATIONS

YIELD _____ TOTES
 DRUMS
 PAILS

VISC #2 ZAHN (13 - 16 SECS) 75 DEGREES

% SOLIDS 30 - 33

pH 8 TO 9

COLOR SLIGHTLY OFF WHITE

ODOR LOW

BASICx 0.95

SPECIAL INSTRUCTIONS	RAW MATERIAL	BASIC FORM		REMARKS
DO NOT THICKEN OR THIN WITH:	ZINPOL Z57-284	89.4900		
	ZINPOL 55	8.5900		
	ZINC OXIDE	0.3600		PREMIX
	WATER	0.8900		PREMIX
	748	0.1800		
THICKEN OR THIN WITH:	LE410	0.1800		
	AMMONIA	0.0400		
	MICROPERSSION HT	0.3700		
	WATER	5.0000		
	TOTAL	105.1000		

TRADEMARK
REEL: 003675 FRAME: 0573

*****CONFIDENTIAL*****
 INDUSTRIAL ADHESIVES COMPANY BOND-PLUS(R)
 130 N. CAMPBELL AVENUE
 CHICAGO, IL 60612
 PHONE: (312) 666-2686 FAX: (312) 666-1824
 www.IndustrialAdhesives.com
 E-Mail: IACbndplus@aol.com

BOND-PLUS® 2HL167-2

LOT:

MIXER:

PRODUCT SPECIFICATIONS

YIELD _____ TOTES
 DRUMS
 PAILS

VISC #3 ZAHN (20 - 22 SECS) 75 DEGREES F

% SOLIDS 36 - 38

pH 7 TO 10

COLOR OFF WHITE

ODOR LOW

BASICx

SPECIAL INSTRUCTIONS	RAW MATERIAL	BASIC FORM	BATCH SIZE IN POUNDS	REMARKS
DO NOT THICKEN OR THIN WITH:	JONWAX 26	20.0000		
	JONCRYL 89	40.0000		
	JONCRYL 77	80.0000		
	JONCRYL 61	40.0000		
	DFC 40	0.5000		
THIN WITH:	CYTEC'S AEROSOL OT	6.0000		PREMIX
	WARM WATER	6.0000		PREMIX
	IPA	6.0000		
WATER	WATER	1.0000		
	TOTAL	199.5000		

*****CONFIDENTIAL*****
 INDUSTRIAL ADHESIVES COMPANY BOND-PLUS(R)
 130 N. CAMPBELL AVENUE
 CHICAGO, IL 60612
 PHONE: (312) 666-2686 FAX: (312) 666-1824
 www.IndustrialAdhesives.com
 E-Mail: IACbndplus@aol.com

BOND-PLUS® 2DB145-16M RELEASE COATING

LOT:

MIXER:

PRODUCT SPECIFICATIONS

YIELD _____ TOTES
 DRUMS
 PAILS

VISC #2 ZAHN (18 - 22 SECS) 75 DEGREES
% SOLIDS 31 - 33%
pH 8.5 - 9.5
COLOR SLIGHTLY OFF WHITE
ODOR LOW

BASICx 2.00

SPECIAL INSTRUCTIONS	RAW MATERIAL	BASIC FORM		REMARKS
DO NOT THICKEN OR THIN WITH:	ZINPOL Z57-284	226.4500		
	ZINPOL 55	21.7400		
	ZINC OXIDE	0.9100		PREMIX
	WATER	2.2600		PREMIX
	748	0.4500		
THICKEN OR THIN WITH:	LE410	0.4500		
	AMMONIA	0.1100		
	MICROPERSSION HT	0.6800		
	WATER	46.9400		
	JONWAX 28	50.0000	-	
	TOTAL	349.9900		

TRADEMARK
REEL: 003675 FRAME: 0575

WORKING CAPITAL ESCROW AGREEMENT

This ESCROW AGREEMENT (this "Agreement") is entered into as of September 14, 2007, by and between INDUSTRIAL ADHESIVE CO., an Illinois corporation having its offices at 130 N. Campbell Ave., Chicago, Illinois 60612 ("Seller") and ROYAL ADHESIVES AND SEALANTS, LLC, a Delaware limited liability company having an address at 2001 W. Washington Street, South Bend, Indiana 46628 (the "Buyer"); and JPMORGAN CHASE BANK, N.A., a national banking association having an address at 4 New York Plaza, 21st Floor, New York, New York 10004 ("JPMorgan Chase Bank, N.A." or the "Escrow Agent").

WHEREAS, the Buyer and Seller have entered into an Asset Purchase Agreement, dated as of August 10, 2007 (the "Asset Purchase Agreement"), and under the terms of Section 2.3(a) of said Agreement, an escrow fund has been or will be created to indemnify the Buyer for certain losses that may occur after the Closing Date of the proposed purchase.

It is agreed as follows:

1. Definitions. All capitalized terms used herein and not defined shall have the meaning assigned to them in the Asset Purchase Agreement.
2. Escrow Fund; Escrow Agent. Seller and the Buyer hereby appoint JPMorgan Chase Bank, N.A., as the Escrow Agent under this Agreement, and the Escrow Agent hereby accepts such appointment and agrees to assume and perform the duties of the escrow agent in accordance with the terms and conditions set forth herein. On the Closing Date, provided this Agreement has been executed by the parties to it, the Buyer, without any act of the Seller, shall deposit or cause to be deposited with JP Morgan Chase Bank, N.A., New York, as the Escrow Agent, the amount of Twenty-five Thousand Dollars (\$25,000) as specified in Section 2.3(a) of the Asset Purchase Agreement., such deposit to constitute an escrow fund (the "Escrow Fund"). The Escrow Agent will hold and dispose of the Escrow Fund in accordance with the terms and instructions of this Agreement. After complying with the terms of this Agreement, the Buyer will be entitled to obtain reimbursement from the Escrow Fund for differences in Working Capital determinations as defined in the Asset Purchase Agreement. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no duties shall be implied.
3. Escrow Period. The Escrow Fund will remain in existence until one year after the Closing Date, plus any extension periods permitted by the terms of this Agreement (the "Escrow Termination Date"); provided, however, that the Escrow Fund shall be extended and shall not terminate with respect to any amount which, in the reasonable good faith judgment of the Buyer, subject to objection of the Seller and the subsequent resolution in the manner provided in Paragraph 11.3 of this Agreement, is necessary to satisfy any then pending and unsatisfied claims specified in a Buyer's Certificate (as defined below) delivered to the Escrow Agent prior to 5 p.m. New York time on the Escrow Termination Date with respect to facts and circumstances existing prior to the Escrow Termination Date. As soon as all such claims have been resolved (the period from Closing to such time being referred in this Agreement to as the "Escrow Period"), Seller and the Buyer shall deliver to the Escrow Agent a joint written distribution instruction and the Escrow Agent shall deliver to the Seller the remaining portion of the Escrow Fund, if any, not required to satisfy such claims.
4. Notice. Any notices or other communications to the Seller or Buyer required or permitted pursuant to the terms of this Agreement will be sufficiently given if sent by as provided in the

Asset Purchase Agreement. However, all communications hereunder to the Escrow Agent shall be in writing and shall be deemed to be duly given and received:

- (i) upon delivery if delivered personally or upon confirmed transmittal if by facsimile;
- (ii) on the next Business Day (as hereinafter defined) if sent by overnight courier; or
- (iii) four (4) Business Days after mailing if mailed by prepaid registered mail, return receipt requested, to the appropriate notice address set forth on Schedule 1 or at such other address as any party hereto may have furnished to the other parties in writing by registered mail, return receipt requested.

Notwithstanding the above, in the case of communications delivered to the Escrow Agent pursuant to (ii) and (iii) of this Section 4, such communications shall be deemed to have been given on the date received by the Escrow Agent. In the event that the Escrow Agent, in its sole discretion, shall determine that an emergency exists, the Escrow Agent may use such other means of communication as the Escrow Agent deems appropriate. "Business Day" shall mean any day other than a Saturday, Sunday or any other day on which the Escrow Agent located at the notice address set forth on Schedule 1 is authorized or required by law or executive order to remain closed.

5. Standard of Care. Escrow Agent shall not be held liable for any action taken or omitted under this Agreement, so long as it shall have acted in good faith and without gross negligence. Subject to the prior satisfaction of any rights of the Buyer to reimbursement from the Escrow Fund, the Escrow Agent may recover from the Escrow Fund at the end of the Escrow Period payments not yet made by the other parties hereto for any fees and expenses incurred in connection with the performance by the Escrow Agent of its duties under this Agreement including insurance fees and expenses of legal counsel retained by the Escrow Agent for any matters arising under this Agreement. The Escrow Agent may execute any of its powers and perform any of its duties hereunder directly or through agents or attorneys (and shall be liable only for the careful selection of any such agent or attorney) and may consult with counsel, accountants and other skilled persons to be selected and retained by it. The Escrow Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons. The Escrow Agent shall have no liability under and no duty to inquire as to the provisions of any agreement other than this Agreement. The Escrow Agent may rely upon and shall not be liable for acting or refraining from acting upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document.

6. Investment of Escrow Funds. The Escrow Agent will hold and safeguard the Escrow Fund during the Escrow Period for the benefit of the Buyer and Seller in accordance with the terms of this Agreement. The Escrow Fund will be invested in United States government obligations or other interest-bearing securities as directed in a writing signed jointly by Seller and the Buyer. Any interest or other income received by the Escrow Agent with respect to cash or other property held in the Escrow Fund will be added to the Escrow Fund. In the event the Escrow Agent does not receive any investment instructions, the Escrow Agent shall invest the funds in a money market deposit account. Receipt, investment and reinvestment of the Escrow Fund and interest or income thereon shall be confirmed by the Escrow Agent as soon as practicable by account statements delivered to the Buyer and Seller.

7. Distributions to Buyer From Escrow Fund. Upon receipt by the Escrow Agent on or before the Escrow Termination Date of a certificate ("Buyer's Certificate") signed by the president or any vice president of the Buyer,

(a) Stating that the Buyer and/or an Affiliate of the Buyer has paid or properly incurred or accrued or reasonably anticipates that it may have to pay, incur or accrue damages, losses, or expenses for which the Buyer or its Affiliate is entitled to reimbursement pursuant to this Agreement, in an aggregate stated amount, and

(b) Specifying in reasonable detail each individual item of damage, loss, or expense included in the aggregate amount so stated, the date each item was paid or properly accrued or the basis for any anticipated liability, and the nature of the misrepresentation, breach of warranty, or claim to which each item is related,

the Escrow Agent will, subject to the provisions of Paragraphs 8 and 9 of this Agreement, distribute to the Buyer or its subsidiary, as promptly as practicable, cash or other property from the Escrow Fund to reimburse the Buyer or its Affiliate for the stated damages, losses, or expenses.

8. Objections to Distributions. At the time of delivery of a Buyer's Certificate to the Escrow Agent, a duplicate copy of the certificate will be delivered to Seller, and for a period of 30 days after delivery of the duplicate copy, the Escrow Agent will make no distribution pursuant to Paragraph 7 of this Agreement unless the Escrow Agent has received written authorization from Seller to make the distribution. After the expiration of the 30-day period, the Escrow Agent may distribute cash or other property in accordance with Paragraph 7 of this Agreement, provided that no such distribution may be made to which Seller has objected in a written statement delivered to the Escrow Agent by 5:00 p.m. on the final day of such expiration of the 30-day period. In the event that a Buyer's Certificate is received by the Escrow Agent before 5 p.m. New York time on the Escrow Termination Date, the Escrow Agent shall wait for the expiration of the 30-day period before disbursing the funds in question.

9. Settlement of Disputed Claims; Arbitration. If Seller objects in writing to the payment to the Buyer or its Affiliate for any claim made in any Buyer's Certificate, Seller and the Buyer will attempt in good faith to agree on the rights of the respective parties regarding each disputed claim. If Seller and the Buyer do so agree, a memorandum setting forth the agreement will be prepared and signed by both parties and will be given to the Escrow Agent. The Escrow Agent will be entitled to rely on any such memorandum, and may make distributions from the Escrow Fund in accordance with the terms of the memorandum. If no such agreement can be reached after good faith negotiation within 30 days from the end of the notice period in Paragraph 8 of this Agreement, either the Buyer or Seller may demand arbitration of the matter; and in such event the American Arbitration Association will be asked to appoint one arbitrator to rule on the matter, such appointment to be in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. Any such arbitration will be held in New York, NY. The decision of the arbitrator about the validity of any claim in a Buyer's Certificate will be binding and conclusive on the parties to this Agreement; and despite anything in Paragraph 7 of this Agreement, the Escrow Agent will be entitled to make or withhold distributions from the Escrow Fund or otherwise act in accordance with the arbitrator's decision. Each party to the arbitration will pay its own expenses, and the fee of the arbitrator and the administrative fee of the American Arbitration Association will be paid one half by the Buyer and one half by Seller. Judgment on any award rendered by the arbitrator may be entered in any court having jurisdiction over the matter. In the event that the Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any party hereto which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be directed otherwise in writing by all of the other parties hereto, an arbitration order, or by a final order or judgment of a court of competent jurisdiction. In no event shall Escrow Agent be a party to any arbitration, but shall rely and follow on any arbitration order.

10. Final Distributions of Escrow Fund. Promptly after the Escrow Termination Date, the Escrow Agent will distribute to the Seller all funds then remaining in the Escrow Fund, including any interest, except an amount of cash or other property sufficient, in the judgment of the Escrow Agent to satisfy any unsatisfied claims specified in any Buyer's Certificate previously delivered to the Escrow Agent which shall be pending pursuant to Seller's written obligation delivered pursuant to Section 8 hereof and any fees and expenses incurred but not yet paid for the Escrow Agent. As soon as all claims have been resolved, promptly after termination of the Escrow Period, the Escrow Agent will distribute to the Seller all cash or other property then remaining in the Escrow Fund not required to satisfy those claims and the unpaid fees and disbursements of the Escrow Agent.

11. Indemnification/Consequential Damages. The Buyer and the Seller shall jointly and severally indemnify, defend and save harmless the Escrow Agent and its directors, officers, agents and employees (the "indemnitees") from all loss, liability or expense (including the fees and expenses of in house or outside counsel) arising out of or in connection with (i) the Escrow Agent's execution and performance of this Agreement, except in the case of any indemnitee to the extent that such loss, liability or expense is due to the gross negligence or willful misconduct of such indemnitee, or (ii) its following any instructions or other directions from the Buyer or the Seller, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof. The parties hereto acknowledge that the foregoing indemnities shall survive the resignation or removal of the Escrow Agent or the termination of this Agreement. The parties hereby grant the Escrow Agent a lien on, right of set-off against and security interest in the Escrow Fund for the payment of any claim for indemnification, compensation, expenses and amounts due hereunder. Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

12. Account Opening Information. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When an account is opened, Escrow Agent will ask for information that will allow it to identify relevant parties.

The Buyer and the Seller each represent that its correct Taxpayer Identification Number ("TIN") assigned by the Internal Revenue Service ("IRS") or any other taxing authority is set forth in Schedule 1. Upon execution of this Agreement, the Buyer and Seller shall provide the Escrow Agent with a fully executed W-8 or W-9 IRS form, which shall include the Buyer's and Seller's TIN. In addition, all interest or other income earned under this Agreement shall be allocated and/or paid as directed in a joint written direction of the Buyer and the Seller and reported by the recipient to the Internal Revenue Service or any other taxing authority. Notwithstanding such written directions, Escrow Agent shall report and, as required withhold any taxes as it determines may be required by any law or regulation in effect at the time of the distribution. In the absence of timely direction, all proceeds of the Escrow Fund shall be retained in the Escrow Fund and reinvested from time to time by the Escrow Agent as provided in Section 3. In the event that any earnings remain undistributed at the end of any calendar year, Escrow Agent shall report to the Internal Revenue Service or such other authority such earnings as it deems appropriate or as required by any applicable law or regulation or, to the extent consistent therewith, as directed in writing by the Buyer and the Seller. In addition, Escrow Agent shall withhold any taxes it deems appropriate and shall remit such taxes to the appropriate authorities.

13. Security Procedures. In the event funds transfer instructions are given (other than in writing at the time of execution of this Agreement, as indicated in Schedule 1 attached hereto), whether in writing, by telecopier or otherwise, the Escrow Agent is authorized to seek confirmation of such instructions by telephone call-back to the person or persons designated on schedule 2 hereto ("Schedule

2"), and the Escrow Agent may rely upon the confirmation of anyone purporting to be the person or persons so designated. The persons and telephone numbers for call-backs may be changed only in a writing actually received and acknowledged by the Escrow Agent. If the Escrow Agent is unable to contact any of the authorized representatives identified in Schedule 2, the Escrow Agent is hereby authorized to seek confirmation of such instructions by telephone call-back to any one or more of your executive officers, ("Executive Officers"), which shall include the titles of president or vice president, as the Escrow Agent may select. Such Executive Officer shall deliver to the Escrow Agent a fully executed Incumbency Certificate, and the Escrow Agent may rely upon the confirmation of anyone purporting to be any such officer. The Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by the Buyer or the Seller to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank. The Escrow Agent may apply any of the escrowed funds for any payment order it executes using any such identifying number, even when its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. The parties to this Agreement acknowledge that these security procedures are commercially reasonable.

14. **General.** The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. This Agreement shall be governed by and construed under the laws of the State of New York. Each party hereto irrevocably waives any objection on the grounds of venue, forum non-conveniens or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the jurisdiction of the courts located in the State of New York. The parties further hereby waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising or relating to this Agreement. No party to this Agreement is liable to any other party for losses due to, or if it is unable to perform its obligations under the terms of this Agreement because of, acts of God, fire, floods, strikes, equipment or transmission failure, or other causes reasonably beyond its control. 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. This Agreement and any affidavit, certificate, instrument, agreement or other document required to be provided hereunder may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument. Unless the context shall otherwise require, the singular shall include the plural and vice-versa, and each pronoun in any gender shall include all other genders. The terms and provisions of this Agreement constitute the entire agreement among the parties hereto in respect of the subject matter hereof, and neither the Buyer, Seller, nor the Escrow Agent has relied on any representations or agreements of the other, except as specifically set forth in this Agreement. This Agreement or any provision hereof may be amended, modified, waived or terminated only by written instrument duly signed by the parties hereto. Notwithstanding any other provision of this Escrow Agreement, Buyer may assign its rights, duties, and obligations hereunder (i) to its financing sources; (ii) to any direct or indirect wholly owned Subsidiary or to any Affiliate of which Buyer is a direct or indirect wholly-owned Subsidiary; and (iii) in connection with the sale or transfer by Buyer of all or substantially all of its capital stock and/or assets. Escrow Agent shall be notified of any assignment of rights under this agreement and Escrow Agent may ask for further documentation from Buyer's its financing sources, subsidiary, or Affiliate to comply with Patriot Act regulations, tax reporting purposes, or to fulfill any of its obligations under this Agreement. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, devisees, executors, administrators, personal representatives, successors, trustees, receivers and permitted assigns. This Agreement is for the sole and exclusive benefit of the Buyer, Seller and the Escrow Agent, and nothing in this Agreement, express or implied, is intended to confer or shall be construed as conferring upon any other person any rights, remedies or any other type or types of benefits.

In witness whereof, each of the parties has caused this Agreement to be executed on its behalf by its duly authorized officers, all as of the day and year first above written.

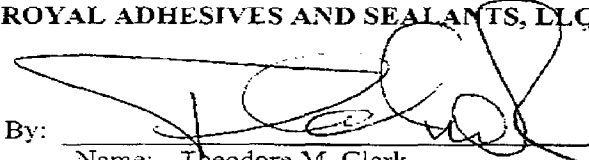
Address:
130 N. Campbell Ave.
Chicago, Illinois 60612

INDUSTRIAL ADHESIVE CO.

By: 
Name: Manuel Belbis
Title: President

Address:
2001 W. Washington Street
South Bend, Indiana 46628

ROYAL ADHESIVES AND SEALANTS, LLC

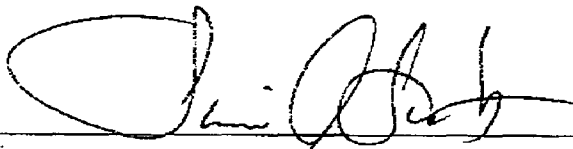
By: 
Name: Theodore M. Clark
Title: President and Chief Executive Officer

Address:
4 New York Plaza, 21st Floor
New York, NY 10004

JPMORGAN CHASE BANK, N.A.

Attn: Larissa Urcia/ Joe Morales

Facsimile: 212-623-6380

By: 
Name: SAVERIO A. LUNETTA
Title: VICE PRESIDENT

Schedule 1

Name of Buyer: Royal Adhesives and Sealants, LLC

Buyer Notice Address: 2001 W. Washington Street, South Bend, Indiana 46628

Buyer TIN: 22-3836399

Wiring Instructions: Key Bank ABA Routing No. 071200538

Key Bank Account No. 359681072534

Name of Seller: Industrial Adhesive, Inc.

Seller Notice Address: 130 N. Campbell Ave., Chicago, Illinois 60612

Seller TIN: 36-2322508

Wiring Instructions: MB Financial Bank ABA Routing No. 071001737

MB Financial Bank Account No. 0308300459

Name of Escrow Agent: JPMorgan Chase Bank, N.A.

Escrow Agent Notice Address: 4 New York Plaza, 21st Floor, New York, New York 10004

(a) Escrow Deposit: \$25,000

Investment: [specify]

JPMorgan Chase Bank Money Market Account;

A trust account with JPMorgan Chase Bank;

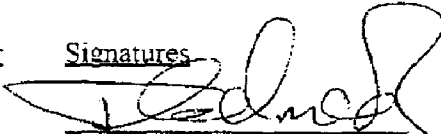
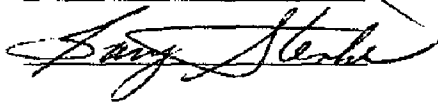
A money market mutual fund, including without limitation the JPMorgan Fund or any other mutual fund for which the Escrow Agent or any affiliate of the Escrow Agent serves as investment manager, administrator, shareholder servicing agent and/or custodian or subcustodian, notwithstanding that (i) the Escrow Agent or an affiliate of the Escrow Agent receives fees from such funds for services rendered, (ii) the Escrow Agent charges and collects fees for services rendered pursuant to this Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Escrow Agent or its affiliates.

Such other investments as Buyer, Seller and Escrow Agent may from time to time mutually agree upon in a writing executed and delivered by the Buyer and the Seller and accepted by the Escrow Agent.

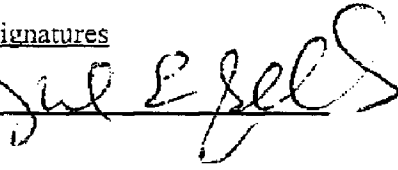
Escrow Agent's compensation: \$1,750.00 per annum without pro-ration for partial years

**Telephone Number(s) for Call-Backs and
Person(s) Designated to Instruct and Confirm Funds Transfer Instructions**

If to Buyer:

<u>Name</u>	<u>Telephone Number</u>	<u>Signatures</u>
1. Theodore M. Clark	626.203.3745	
2. Gary Stenke	574.246.5314	
3. _____	_____	_____

If to Seller:

<u>Name</u>	<u>Telephone Number</u>	<u>Signatures</u>
1. Manuel Belbis	312-666-2686 x 26	
2. _____	_____	_____
3. _____	_____	_____

Telephone call-backs shall be made to each Buyer and Seller if joint instructions are required pursuant to this Agreement.

If only one party may confirm or instruct funds transfers:

Periodically, you issue payment orders to us to transfer funds by federal funds wire. We review the orders to determine compliance with the governing documentation and to confirm signature by the appropriate party, in accordance with the incumbency list previously supplied to us. Bank policy requires that, where practicable, we undertake callbacks to a party other than the individual who signed the payment order to verify the authenticity of the payment order.

Inasmuch as you are the only employee in your office who can confirm and instruct wire transfers in accordance with the Escrow Agreement, we will call you to confirm any federal funds wire transfer payment order purportedly issued by you. Your continued issuance of payment orders to us and confirmation in accordance with this procedure will constitute your agreement (1) to the callback security procedure outlined herein and (2) that the security procedure outlined herein constitutes a commercially reasonable method of verifying the authenticity of payment orders. Moreover, you agree to accept any risk associated with a deviation from this bank policy.

PURCHASE PRICE ESCROW AGREEMENT

This ESCROW AGREEMENT (this "Agreement") is entered into as of September 14, 2007, by and between INDUSTRIAL ADHESIVE CO., an Illinois corporation having its offices at 130 N. Campbell Ave., Chicago, Illinois 60612 ("Seller") and ROYAL ADHESIVES AND SEALANTS, LLC, a Delaware limited liability company having an address at 2001 W. Washington Street, South Bend, Indiana 46628 (the "Buyer"); and JPMORGAN CHASE BANK, N.A., a national banking association having an address at 4 New York Plaza, 21st Floor, New York, New York 10004 ("JPMorgan Chase Bank, N.A." or the "Escrow Agent").

WHEREAS, the Buyer and Seller have entered into an Asset Purchase Agreement, dated as of August 10, 2007 (the "Asset Purchase Agreement"), and under the terms of Section 2.3(b) of said Agreement, an escrow fund has been or will be created to indemnify the Buyer for certain losses that may occur after the Closing Date of the proposed purchase.

It is agreed as follows:

1. Definitions. All capitalized terms used herein and not defined shall have the meaning assigned to them in the Asset Purchase Agreement.
2. Escrow Fund: Escrow Agent. Seller and the Buyer hereby appoint JPMorgan Chase Bank, N.A., as the Escrow Agent under this Agreement, and the Escrow Agent hereby accepts such appointment and agrees to assume and perform the duties of the escrow agent in accordance with the terms and conditions set forth herein. On the Closing Date, provided this Agreement has been executed by the parties to it, the Buyer, without any act of the Seller, shall deposit or cause to be deposited with JP Morgan Chase Bank, N.A., New York, as the Escrow Agent, the amount of Sixty Thousand Dollars (\$60,000) as specified in Section 2.3(b) of the Asset Purchase Agreement, such deposit to constitute an escrow fund (the "Escrow Fund"). The Escrow Agent will hold and dispose of the Escrow Fund in accordance with the terms and instructions of this Agreement. After complying with the terms of this Agreement, the Buyer will be entitled to obtain reimbursement from the Escrow Fund for all damages, losses, and expenses incurred by the Buyer to the extent of Seller's obligation for indemnity as provided in Article IX of the Asset Purchase Agreement. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no duties shall be implied.
3. Escrow Period. The Escrow Fund will remain in existence until one year after the Closing Date, plus any extension periods permitted by the terms of this Agreement (the "Escrow Termination Date"); provided, however, that the Escrow Fund shall be extended and shall not terminate with respect to any amount which, in the reasonable good faith judgment of the Buyer, subject to objection of the Seller and the subsequent resolution in the manner provided in Paragraph 9 of this Agreement, is necessary to satisfy any then pending and unsatisfied claims specified in a Buyer's Certificate (as defined below) delivered to the Escrow Agent prior to 5 p.m. New York time on the Escrow Termination Date with respect to facts and circumstances existing prior to the Escrow Termination Date. As soon as all such claims have been resolved (the period from Closing to such time being referred in this Agreement to as the "Escrow Period"), Seller and the Buyer shall deliver to the Escrow Agent a joint written distribution instruction and the Escrow Agent shall deliver to the Seller the remaining portion of the Escrow Fund, if any, not required to satisfy such claims.
4. Notice. Any notices or other communications to the Seller or Buyer required or permitted pursuant to the terms of this Agreement will be sufficiently given if sent by as provided in the

Asset Purchase Agreement. However, all communications hereunder to the Escrow Agent shall be in writing and shall be deemed to be duly given and received:

- (i) upon delivery if delivered personally or upon confirmed transmittal if by facsimile;
- (ii) on the next Business Day (as hereinafter defined) if sent by overnight courier, or
- (iii) four (4) Business Days after mailing if mailed by prepaid registered mail, return receipt requested, to the appropriate notice address set forth on Schedule 1 or at such other address as any party hereto may have furnished to the other parties in writing by registered mail, return receipt requested.

Notwithstanding the above, in the case of communications delivered to the Escrow Agent pursuant to (ii) and (iii) of this Section 4, such communications shall be deemed to have been given on the date received by the Escrow Agent. In the event that the Escrow Agent, in its sole discretion, shall determine that an emergency exists, the Escrow Agent may use such other means of communication as the Escrow Agent deems appropriate. "Business Day" shall mean any day other than a Saturday, Sunday or any other day on which the Escrow Agent located at the notice address set forth on Schedule 1 is authorized or required by law or executive order to remain closed.

5. Standard of Care. Escrow Agent shall not be held liable for any action taken or omitted under this Agreement, so long as it shall have acted in good faith and without gross negligence. Subject to the prior satisfaction of any rights of the Buyer to reimbursement from the Escrow Fund, the Escrow Agent may recover from the Escrow Fund at the end of the Escrow Period payments not yet made by the other parties hereto for any fees and expenses incurred in connection with the performance by the Escrow Agent of its duties under this Agreement including insurance fees and expenses of legal counsel retained by the Escrow Agent for any matters arising under this Agreement. The Escrow Agent may execute any of its powers and perform any of its duties hereunder directly or through agents or attorneys (and shall be liable only for the careful selection of any such agent or attorney) and may consult with counsel, accountants and other skilled persons to be selected and retained by it. The Escrow Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons. The Escrow Agent shall have no liability under and no duty to inquire as to the provisions of any agreement other than this Agreement. The Escrow Agent may rely upon and shall not be liable for acting or refraining from acting upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document.

6. Investment of Escrow Funds. The Escrow Agent will hold and safeguard the Escrow Fund during the Escrow Period for the benefit of the Buyer and Seller in accordance with the terms of this Agreement. The Escrow Fund will be invested in United States government obligations or other interest-bearing securities as directed in a writing signed jointly by Seller and the Buyer. Any interest or other income received by the Escrow Agent with respect to cash or other property held in the Escrow Fund will be added to the Escrow Fund. In the event the Escrow Agent does not receive any investment instructions, the Escrow Agent shall invest the funds in a money market deposit account. Receipt, investment and reinvestment of the Escrow Fund and interest or income thereon shall be confirmed by the Escrow Agent as soon as practicable by account statements delivered to the Buyer and Seller.

7. Distributions to Buyer From Escrow Fund. Upon receipt by the Escrow Agent on or before the Escrow Termination Date of a certificate ("Buyer's Certificate") signed by the president or any vice president of the Buyer.

(a) Stating that the Buyer and/or an Affiliate of the Buyer has paid or properly incurred or accrued or reasonably anticipates that it may have to pay, incur or accrue damages, losses, or expenses for which the Buyer or its Affiliate is entitled to reimbursement pursuant to this Agreement, in an aggregate stated amount, and

(b) Specifying in reasonable detail each individual item of damage, loss, or expense included in the aggregate amount so stated, the date each item was paid or properly accrued or the basis for any anticipated liability, and the nature of the misrepresentation, breach of warranty, or claim to which each item is related.

the Escrow Agent will, subject to the provisions of Paragraphs 8 and 9 of this Agreement, distribute to the Buyer or its subsidiary, as promptly as practicable, cash or other property from the Escrow Fund to reimburse the Buyer or its Affiliate for the stated damages, losses, or expenses.

8. Objections to Distributions. At the time of delivery of a Buyer's Certificate to the Escrow Agent, a duplicate copy of the certificate will be delivered to Seller, and for a period of 30 days after delivery of the duplicate copy, the Escrow Agent will make no distribution pursuant to Paragraph 7 of this Agreement unless the Escrow Agent has received written authorization from Seller to make the distribution. After the expiration of the 30-day period, the Escrow Agent may distribute cash or other property in accordance with Paragraph 7 of this Agreement, provided that no such distribution may be made to which Seller has objected in a written statement delivered to the Escrow Agent by 5:00 p.m. on the final day of such expiration of the 30-day period. In the event that a Buyer's Certificate is received by the Escrow Agent before 5 p.m. New York time on the Escrow Termination Date, the Escrow Agent shall wait for the expiration of the 30-day period before disbursing the funds in question.

9. Settlement of Disputed Claims; Arbitration. If Seller objects in writing to the payment to the Buyer or its Affiliate for any claim made in any Buyer's Certificate, Seller and the Buyer will attempt in good faith to agree on the rights of the respective parties regarding each disputed claim. If Seller and the Buyer do so agree, a memorandum setting forth the agreement will be prepared and signed by both parties and will be given to the Escrow Agent. The Escrow Agent will be entitled to rely on any such memorandum, and may make distributions from the Escrow Fund in accordance with the terms of the memorandum. If no such agreement can be reached after good faith negotiation within 30 days from the end of the notice period in Paragraph 8 of this Agreement, either the Buyer or Seller may demand arbitration of the matter; and in such event the American Arbitration Association will be asked to appoint one arbitrator to rule on the matter, such appointment to be in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. Any such arbitration will be held in New York, NY. The decision of the arbitrator about the validity of any claim in a Buyer's Certificate will be binding and conclusive on the parties to this Agreement; and despite anything in Paragraph 7 of this Agreement, the Escrow Agent will be entitled to make or withhold distributions from the Escrow Fund or otherwise act in accordance with the arbitrator's decision. Each party to the arbitration will pay its own expenses, and the fee of the arbitrator and the administrative fee of the American Arbitration Association will be paid one half by the Buyer and one half by Seller. Judgment on any award rendered by the arbitrator may be entered in any court having jurisdiction over the matter. In the event that the Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any party hereto which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be directed otherwise in writing by all of the other parties hereto, an arbitration order, or by a final order or judgment of a court of competent jurisdiction. In no event shall Escrow Agent be a party to any arbitration, but shall rely and follow on any arbitration order.

10. Final Distributions of Escrow Fund. Promptly after the Escrow Termination Date, the Escrow Agent will distribute to the Seller all funds then remaining in the Escrow Fund, including any interest, except an amount of cash or other property sufficient, in the judgment of the Escrow Agent to satisfy any unsatisfied claims specified in any Buyer's Certificate previously delivered to the Escrow Agent which shall be pending pursuant to Seller's written obligation delivered pursuant to Section 8 hereof and any fees and expenses incurred but not yet paid for the Escrow Agent. As soon as all claims have been resolved, promptly after termination of the Escrow Period, the Escrow Agent will distribute to the Seller all cash or other property then remaining in the Escrow Fund not required to satisfy those claims and the unpaid fees and disbursements of the Escrow Agent.

11. Indemnification/Consequential Damages. The Buyer and the Seller shall jointly and severally indemnify, defend and save harmless the Escrow Agent and its directors, officers, agents and employees (the "indemnitees") from all loss, liability or expense (including the fees and expenses of in house or outside counsel) arising out of or in connection with (i) the Escrow Agent's execution and performance of this Agreement, except in the case of any indemnitee to the extent that such loss, liability or expense is due to the gross negligence or willful misconduct of such indemnitee, or (ii) its following any instructions or other directions from the Buyer or the Seller, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof. The parties hereto acknowledge that the foregoing indemnities shall survive the resignation or removal of the Escrow Agent or the termination of this Agreement. The parties hereby grant the Escrow Agent a lien on, right of set-off against and security interest in the Escrow Fund for the payment of any claim for indemnification, compensation, expenses and amounts due hereunder. Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

12. Account Opening Information. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When an account is opened, Escrow Agent will ask for information that will allow it to identify relevant parties.

The Buyer and the Seller each represent that its correct Taxpayer Identification Number ("TIN") assigned by the Internal Revenue Service ("IRS") or any other taxing authority is set forth in Schedule 1. Upon execution of this Agreement, the Buyer and Seller shall provide the Escrow Agent with a fully executed W-8 or W-9 IRS form, which shall include the Buyer's and Seller's TIN. In addition, all interest or other income earned under this Agreement shall be allocated and/or paid as directed in a joint written direction of the Buyer and the Seller and reported by the recipient to the Internal Revenue Service or any other taxing authority. Notwithstanding such written directions, Escrow Agent shall report and, as required withhold any taxes as it determines may be required by any law or regulation in effect at the time of the distribution. In the absence of timely direction, all proceeds of the Escrow Fund shall be retained in the Escrow Fund and reinvested from time to time by the Escrow Agent as provided in Section 3. In the event that any earnings remain undistributed at the end of any calendar year, Escrow Agent shall report to the Internal Revenue Service or such other authority such earnings as it deems appropriate or as required by any applicable law or regulation or, to the extent consistent therewith, as directed in writing by the Buyer and the Seller. In addition, Escrow Agent shall withhold any taxes it deems appropriate and shall remit such taxes to the appropriate authorities.

13. Security Procedures. In the event funds transfer instructions are given (other than in writing at the time of execution of this Agreement, as indicated in Schedule 1 attached hereto), whether in writing, by telecopier or otherwise, the Escrow Agent is authorized to seek confirmation of such instructions by telephone call-back to the person or persons designated on schedule 2 hereto ("Schedule

2"), and the Escrow Agent may rely upon the confirmation of anyone purporting to be the person or persons so designated. The persons and telephone numbers for call-backs may be changed only in a writing actually received and acknowledged by the Escrow Agent. If the Escrow Agent is unable to contact any of the authorized representatives identified in Schedule 2, the Escrow Agent is hereby authorized to seek confirmation of such instructions by telephone call-back to any one or more of your executive officers, ("Executive Officers"), which shall include the titles of president or vice president, as the Escrow Agent may select. Such Executive Officer shall deliver to the Escrow Agent a fully executed Incumbency Certificate, and the Escrow Agent may rely upon the confirmation of anyone purporting to be any such officer. The Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by the Buyer or the Seller to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank. The Escrow Agent may apply any of the escrowed funds for any payment order it executes using any such identifying number, even when its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. The parties to this Agreement acknowledge that these security procedures are commercially reasonable.

14. General. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. This Agreement shall be governed by and construed under the laws of the State of New York. Each party hereto irrevocably waives any objection on the grounds of venue, forum non-conveniens or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the jurisdiction of the courts located in the State of New York. The parties further hereby waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising or relating to this Agreement. No party to this Agreement is liable to any other party for losses due to, or if it is unable to perform its obligations under the terms of this Agreement because of, acts of God, fire, floods, strikes, equipment or transmission failure, or other causes reasonably beyond its control. 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. This Agreement and any affidavit, certificate, instrument, agreement or other document required to be provided hereunder may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument. Unless the context shall otherwise require, the singular shall include the plural and vice-versa, and each pronoun in any gender shall include all other genders. The terms and provisions of this Agreement constitute the entire agreement among the parties hereto in respect of the subject matter hereof, and neither the Buyer, Seller, nor the Escrow Agent has relied on any representations or agreements of the other, except as specifically set forth in this Agreement. This Agreement or any provision hereof may be amended, modified, waived or terminated only by written instrument duly signed by the parties hereto. Notwithstanding any other provision of this Escrow Agreement, Buyer may assign its rights, duties, and obligations hereunder (i) to its financing sources; (ii) to any direct or indirect wholly owned Subsidiary or to any Affiliate of which Buyer is a direct or indirect wholly-owned Subsidiary; and (iii) in connection with the sale or transfer by Buyer of all or substantially all of its capital stock and/or assets. Escrow Agent shall be notified of any assignment of rights under this agreement and Escrow Agent may ask for further documentation from Buyer's its financing sources, subsidiary, or Affiliate to comply with Patriot Act regulations, tax reporting purposes, or to fulfill any of its obligations under this Agreement. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, devisees, executors, administrators, personal representatives, successors, trustees, receivers and permitted assigns. This Agreement is for the sole and exclusive benefit of the Buyer, Seller and the Escrow Agent, and nothing in this Agreement, express or implied, is intended to confer or shall be construed as conferring upon any other person any rights, remedies or any other type or types of benefits.

In witness whereof, each of the parties has caused this Agreement to be executed on its behalf by its duly authorized officers, all as of the day and year first above written.

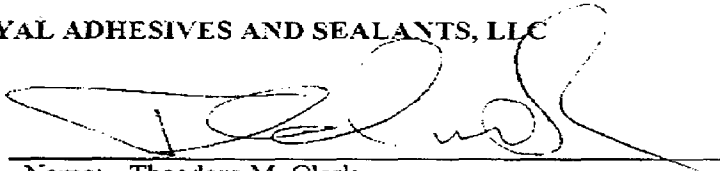
Address:
130 N. Campbell Ave.
Chicago, Illinois 60612

INDUSTRIAL ADHESIVE CO.

By: 
Name: Manuel Belbis
Title: President

Address:
2001 W. Washington Street
South Bend, Indiana 46628

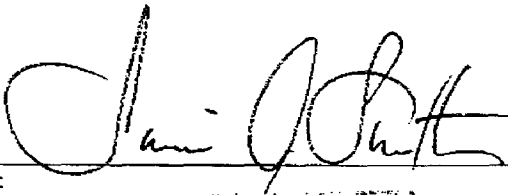
ROYAL ADHESIVES AND SEALANTS, LLC

By: 
Name: Theodore M. Clark
Title: President and Chief Executive Officer

Address:
4 New York Plaza, 21st Floor
New York, NY 10004

JPMORGAN CHASE BANK, N.A.

Attn: Larissa Urcia/ Joe Morales
Facsimile: 212-623-6380

By: 
Name: SEVERIO A. LUNETTA
Title: VICE PRESIDENT

Schedule 1

Name of Buyer: Royal Adhesives and Sealants, LLC

Buyer Notice Address: 2001 W. Washington Street, South Bend, Indiana 46628

Buyer TIN: 22-3836399

Wiring Instructions: Key Bank ABA Routing No. 071200538

Key Bank Account No. 359681072534

Name of Seller: Industial Adhesive, Inc.

Seller Notice Address: 130 N. Campbell Ave., Chicago, Illinois 60612

Seller TIN: 36-2322508

Wiring Instructions: MB Financial Bank ABA Routing No. 071001737

MB Financial Bank Account No. 0308300459

Name of Escrow Agent: JPMorgan Chase Bank, N.A.

Escrow Agent Notice Address: 4 New York Plaza, 21st Floor, New York, New York 10004

(a) Escrow Deposit: \$25,000

Investment: [specify]

JPMorgan Chase Bank Money Market Account;

A trust account with JPMorgan Chase Bank;

A money market mutual fund, including without limitation the JPMorgan Fund or any

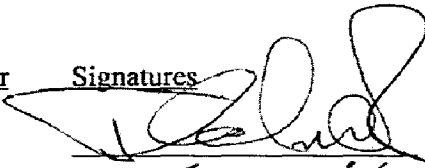
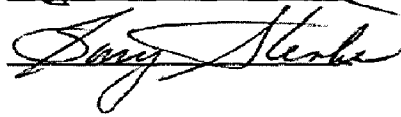
other mutual fund for which the Escrow Agent or any affiliate of the Escrow Agent serves as investment manager, administrator, shareholder servicing agent and/or custodian or subcustodian, notwithstanding that (i) the Escrow Agent or an affiliate of the Escrow Agent receives fees from such funds for services rendered, (ii) the Escrow Agent charges and collects fees for services rendered pursuant to this Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Escrow Agent or its affiliates.

Such other investments as Buyer, Seller and Escrow Agent may from time to time mutually agree upon in a writing executed and delivered by the Buyer and the Seller and accepted by the Escrow Agent.

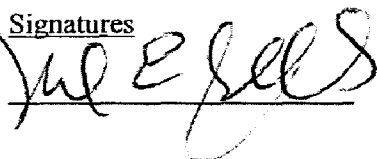
Escrow Agent's compensation: \$1,750.00 per annum without pro-ration for partial years

**Telephone Number(s) for Call-Backs and
Person(s) Designated to Instruct and Confirm Funds Transfer Instructions**

If to Buyer:

<u>Name</u>	<u>Telephone Number</u>	<u>Signatures</u>
1. Theodore M. Clark	626.203.3745	
2. Gary Stenke	574.246.5314	
3. _____	_____	_____

If to Seller:

<u>Name</u>	<u>Telephone Number</u>	<u>Signatures</u>
1. Manuel Belbis	312-666-2686 x26	
2. _____	_____	_____
3. _____	_____	_____

Telephone call-backs shall be made to each Buyer and Seller if joint instructions are required pursuant to this Agreement.

If only one party may confirm or instruct funds transfers:

Periodically, you issue payment orders to us to transfer funds by federal funds wire. We review the orders to determine compliance with the governing documentation and to confirm signature by the appropriate party, in accordance with the incumbency list previously supplied to us. Bank policy requires that, where practicable, we undertake callbacks to a party other than the individual who signed the payment order to verify the authenticity of the payment order.

Inasmuch as you are the only employee in your office who can confirm and instruct wire transfers in accordance with the Purchase Price Escrow Agreement, we will call you to confirm any federal funds wire transfer payment order purportedly issued by you. Your continued issuance of payment orders to us and confirmation in accordance with this procedure will constitute your agreement (1) to the callback security procedure outlined herein and (2) that the security procedure outlined herein constitutes a commercially reasonable method of verifying the authenticity of payment orders. Moreover, you agree to accept any risk associated with a deviation from this bank policy.

**DRAFT
EXHIBIT A**

BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that pursuant to an Asset Purchase Agreement dated as of _____, 2007 (the "Asset Purchase Agreement"), by and between Industrial Adhesive, Inc., an Illinois corporation having its offices at 130 N. Campbell Ave., Chicago, Illinois 60612 (the "Seller"), and Royal Adhesives and Sealants, LLC, a Delaware limited liability company having an address at 2001 W. Washington Street, South Bend, Indiana 46628 (the "Buyer"), Seller, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do, and each of them does hereby grant, bargain, sell, assign, convey, transfer, deliver and set over unto Buyer and its successors and assigns, all right, title and interest of Seller in and to the following Assets owned and used by Seller in the business of producing certain EVA, PVA, SBR and acrylic adhesive products for sale and use by other manufacturers (such line of business herein referred to as the "Business"):

All right, title and interest of the Seller in and to the following items of tangible and intangible personal property of the Seller identified in Schedule A attached hereto (the "Purchased Assets"), including:

- a. all Sellers' right title and interest in the Intellectual Property as described and defined in the Asset Purchase Agreement, consisting of technical information, patents and patent applications, if any, and all other trade secrets, research and development records and lab books, research results, know-how, make-up formulas, formulations (including intermediates and components), processes, recipes, test procedures and parameters, raw material specifications, performance and process specifications, packaging specifications, labeling text, information, masks and parameters, historical performance, test result records and reports, software, patterns and proprietary and intellectual property rights and information of Seller used to manufacture, use, package, ship and sell chemical based adhesives and coatings intended or suitable for industrial applications including in particular the Business, as now comprised or as contemplated to be comprised and all Documents that record, embody, include or refer to them; and,
- b. all of the Seller's promotional materials which includes all Documents used to describe or promote the Business consisting of, technical data sheets, material safety data sheets, brochures, catalogues, photographic representations of products, web designs and content, presentation materials, product descriptions, instructions for use for each product in the Business, the telephone numbers and web addresses used by customers to inquire about or order Business products and all Documents that record, embody, include or refer to them; and,
- c. all of the Seller's Trademarks which includes all of the registered and unregistered U.S. and foreign service marks, trade names, trade styles, logotypes, and product names and designations domain names and URLs used in connection with the Business and the goodwill connected therewith and symbolized thereby, for use in the manufacture, use, packaging, promotion, shipping and sale of the Business as now comprised or as contemplated to be comprised and all Documents that record, embody, include or refer to them, as set forth on Schedule B of this Bill of Sale, Assignment and Assumption Agreement; and,
- d. all of the Seller's Customer Lists, which includes all lists, databases or other compilations of past, current and prospective customers including contact information; bid sheets, price history, cost information and cost basis for each element of the Business and contract information, and all lists or compilations of the suppliers and the vendors to the Business, together with vendor contact information, material and package specifications, price and evaluation parameters of the Business as now comprised or as contemplated to be comprised and all Documents that record, embody, include or refer to them; and,

e. all raw materials, work-in-process, finished goods, goods-in-transit, supplies, containers and reusable totes, packaging materials, samples and any prepaid deposits for any of the same and other inventories primarily used in or specifically held for use by Seller or its Affiliates or otherwise material in the conduct of the Business, wherever located (the "Inventory") including specifically the items identified on Schedule C of this Bill of Sale, Assignment and Assumption Agreement; and,

f. all of the Sellers' right, title and interest in and to the Assumed Contracts, including but not limited to the Assumed Contracts identified and summarized on Schedule D of this Bill of Sale, Assignment and Assumption Agreement; and,

TO HAVE AND TO HOLD, the right, title and interest in and to the Purchased Assets hereby granted, bargained, sold, assigned, conveyed, transferred, delivered and set over unto the Buyer, its successors and assigns, for its own use and benefit forever,

AND Seller covenants and agrees to warrant and to defend the sale of the Purchased Assets against all and every Person or Persons claiming through or under Seller. Seller further covenants and agrees that it will at any time and from time to time after the date of this Bill of Sale, upon the request of the Buyer, execute, acknowledge, deliver and perform, or cause to be executed, delivered, or performed, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be necessary for the full vesting and confirming unto the Buyer of the title to and possession of any and all of the Purchased Assets, properties and rights acquired by the Buyer from the Seller hereunder.

Seller owns outright and has good, marketable and valid title to all the Purchased Assets and interests in Purchased Assets, tangible and intangible, that are used in the Business and described herein; all these Purchased Assets are free and clear of all restrictions on or conditions to transfer or assignment, and are free and clear of liens, pledges, charges, encumbrances, equities, claims and security interests.

The Seller does hereby constitute and appoint the Buyer as the Seller's true and lawful attorney with full power of substitution for it and in its name, place and stead or otherwise, but on behalf of and for the benefit of the Buyer, to demand and receive from time to time any and all assets, properties and rights, whether real, personal and mixed, tangible and intangible, which are hereby bargained, sold, transferred, assigned and conveyed, and to give receipts and releases for and in respect of the same, and any part thereof, and from time to time to institute and prosecute in the name of the Seller or otherwise, at the Seller's expense and for the benefit of the Buyer, any and all proceedings at law, in equity or otherwise that the Buyer may deem proper in order to collect, assert or enforce any claims, rights or title of any kind in and to the assets, properties, rights and privileges which are hereby bargained, sold, transferred, assigned and conveyed, and to defend and compromise any and all such actions, suits or proceedings in respect of any said property, assets, rights and privileges and, generally, to do any and all such acts and things in relation thereto as the Buyer shall deem advisable. The Seller hereby declares that the appointment hereby made and the powers hereby granted are coupled with an interest and are, and shall be, irrevocable by the Seller in any manner or for any reason, provided that nothing herein contained shall be deemed to enlarge the rights given to Buyer under the Asset Purchase Agreement.

The warranties and covenants pertaining to title contained in Section 4.4 of the Asset Purchase Agreement shall survive this Bill of Sale, Assignment and Assumption Agreement to the extent set forth in the Asset Purchase Agreement and become a part hereof and shall continue in full force and effect as though herein set forth fully and at length.

Buyer does hereby assume and shall undertake to pay those current (but not past due) trade accounts payable of Seller identified on Schedule E of this Bill of Sale, Assignment and Assumption Agreement provided that such amounts are current and payable within 30 days after the Closing on invoices received for raw materials and packaging that have been received into Inventory or have been shipped by the vendor to Seller as of the Closing Date and which are used primarily in the production of Products as determined and valued using GAAP, including amounts for commissions included in the assigned Accounts Receivable due and payable to Seller's sales representatives upon collection to the extent identified on Schedule E.

The terms, covenants and agreements herein contained shall bind and inure to the benefit of the respective parties hereto and their respective legal representatives, successors and assigns.

Capitalized terms in this Bill of Sale, Assignment and Assumption Agreement not otherwise defined shall have the same meanings as those set forth in the Asset Purchase Agreement.

This Bill of Sale, Assignment and Assumption Agreement is dated for reference as of _____, 2007 and is effective upon delivery to the Buyer upon the Closing of the Asset Purchase Agreement.

_____, 2007

Industrial Adhesive, Inc.

By: _____
Name: Manuel Belbis
Title: President

Accepted and Agreed to:

ROYAL ADHESIVES AND SEALANTS, LLC

By:
Name: Theodore M. Clark
Title: Chief Executive Officer

ASSETS

Intellectual Property

All information, know-how, intellectual property and trade secrets known to or used by Seller to develop, manufacture, process, test, package, use and sell Products, including the products identified on Appendix B of the Asset Purchase Agreement, and including all documents relating to or supporting in any way, the development, production, manufacturing, testing, processing, handling and shipping such materials including patents and patent applications, if any, and all other trade secrets, research and development, research results, know-how, make-up formulas, formulations (including intermediates and components), processes, recipes, test procedures and parameters, raw material specifications, performance and process specifications, packaging specifications, historical performance and test result records, software, patterns and proprietary and intellectual property rights and information of Seller used to manufacture, use and sell the Products as now comprised or as contemplated to be comprised and all documents that record, embody, include or refer to them.

Trademarks

Trademarks include product identification numbers, brand names, designs, service marks, other indicia of origin, trademark and service mark registrations, if any, and including product identifiers as set forth on Schedule 4.12(a) of the Asset Purchase Agreement.

Promotional Materials

1. Documents relating to the Business intended for customers or prospective customers of the Business, including pamphlets, fliers, brochures pertaining to the Sellers, the Business or the Products or any combination of them, and other products manufactured by the Seller including all promotional materials, technical data sheets, material safety data sheets, brochures, catalogues, photographic representations of products, web designs and content, presentation materials, product descriptions, instructions for use for each of the Business or the Products and all documents that record, embody, include or refer to them.
2. Product data sheets regarding certain Products prepared at the request of certain purchasers of Products.

Supplier Lists, telephone numbers, files, papers and other records pertaining thereto

All of the vendor lists, vendor contact information, material and package specifications, price and evaluation parameters of each ingredient or component of the Products and all documents that record, embody, include or refer to them. Supplier and vendor lists and other related information are stored on the Seller's databases located at the Seller's offices in Chicago, Illinois.

Customer Lists, telephone numbers, files, papers and other records pertaining thereto

All of the lists and related information regarding customers and prospective customers, together with contact information, bid sheets, price history, cost information, cost basis and contract information for the

Business and the Products as sold to such customers, as now comprised or as contemplated to be comprised and all documents that record, embody, include or refer to them. Customer lists and other related information are available on Seller's databases located at the Seller's offices in Chicago, Illinois and all other locations.

Assumed Contracts

Assumed Contracts listed on Schedule D. Current information about Assumed Contracts will be delivered at Closing.

**APA APPENDIX B
Products**

Schedule C

Inventory – Schedule of count of usable stock in trade, raw materials, intermediates, work in process, goods in transit and finished goods.

IAC – Royal Bill of Sale
072707

7
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TRADEMARK
REEL: 003675 FRAME: 0598

Schedule D

Assumed Contracts as delivered at Closing.

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TRADEMARK
REEL: 003675 FRAME: 0599

Schedule E

Schedule of Assumed Trade Accounts Payable.

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072707

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TRADEMARK
REEL: 003675 FRAME: 0600

**DRAFT
EXHIBIT C**

ASSIGNMENT OF ACCOUNTS RECEIVABLE

Assignment made this ___ day of _____, 2007 by Industrial Adhesive, Inc., an Illinois corporation having its offices at 130 N. Campbell Ave., Chicago, Illinois 60612, ("Assignor"), and Royal Adhesives and Sealants, LLC, a Delaware limited liability company having an address at 2001 W. Washington Street, South Bend, Indiana 46628 ("Assignee").

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby assigns, convey and warrant to Assignee all Assignor's right title and interest in and to the accounts set forth in Schedule A attached hereto (the "Account" or "Accounts"), having an aggregate value of _____ dollars (\$XXX,XXX.XX), together with: all invoices representing same; all amounts due or to become due upon the Accounts; title to the goods represented by the Accounts whether or not received, rejected, returned or reconsigned; and title to any new Account, including amounts to become due, created by a subsequent resale and not received, rejected, returned or reconsigned; and all other rights in the Accounts of any type or kind.

Concurrent with the execution of this Assignment, Assignor delivers to Assignee, receipt of which is hereby acknowledged, all invoices and shipping documents representing the goods and Accounts receivable herein assigned. Assignor agrees to deliver and execute such other documents as are reasonably requested by Assignee with respect to this Assignment.

Assignor herewith warrants and represents to Assignee as follows:

1. Schedule A attached hereto is a true and accurate statement of open Accounts now owing to Assignor, that all sales are bona fide sales and that said goods have been shipped as ordered, received and accepted and that no Account is contingent on delivery of products, performance of services or any future act by Assignor.
2. The assigned Accounts represent all of the outstanding Accounts of Assignor from sale of products or services of Assignor and that all goods or services have been delivered or given to the Account purchasers.
3. Schedule A attached hereto reflects the true net balances of each Account and the date payment of each Account is due.
4. No Account is secured and all Accounts are free of any lien, security interest or any encumbrance and payment is not subject to any contingency not yet performed by any party.
5. No Account is contested and no defense, counterclaim or offset exists as to any Account sold. All products sold as represented by the Accounts were sold in the ordinary course of business and were not subject to any lien or security interest. The proceeds of the Accounts are not subject to any security interest.
6. Assignor had at the time of the delivery of the goods free and clear title to the goods and Assignor has the full legal right to make this assignment. The board of directors of Assignor has duly authorized the officer of the Assignor whose name appears below to execute this Assignment of Accounts Receivable on behalf of Assignor.

**DRAFT
EXHIBIT C**

7. Any payments received by the Assignor for the Accounts herein transferred shall be received by the Assignor on behalf of and as the property of the Assignee and shall be immediately transferred to the Assignee, subject to collection, or properly endorsed.

In the event of default in the payment when due of any account herein transferred and upon demand by Assignee the Assignor shall repurchase the defaulted Account on or before the expiration of one hundred twenty (120) days from the date of this Assignment at the value paid for that account.

Assignor acknowledges that Assignee has relied on Assignor's warranties and representations in taking this Assignment.

In Witness Whereof the Assignor has executed this Assignment.

BY _____

[Notary Statement]

**DRAFT
EXHIBIT C**

Schedule A

Schedule of Assigned Accounts Receivable

**IAC - Royal Assignment Accounts Receivable
072707**

**TRADEMARK
REEL: 003675 FRAME: 0603**

TRADEMARK ASSIGNMENT

This Assignment ("Assignment") is made effective as of September 21, 2007 from Industrial Adhesive Co., an Illinois corporation ("ASSIGNOR"), to Royal Adhesives and Sealants, LLC, a Delaware limited liability company ("ASSIGNEE"):

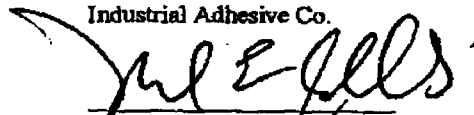
WHEREAS, ASSIGNOR is the owner of the trademarks (the "Marks") and other intellectual property (the "Property") as described in Exhibit A, attached hereto and incorporated by reference herein, together with the goodwill of the business symbolized thereby in connection with the goods on which the Marks are used (the "Products").

WHEREAS, ASSIGNOR desires to convey, transfer, assign, deliver, and contribute to ASSIGNEE all of its right, title, and interest in and to the Marks and the Property.

NOW, THEREFORE, in consideration of the payment of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, ASSIGNOR hereby conveys, transfers, assigns, delivers, and contributes to ASSIGNEE all of ASSIGNOR'S right, title, and interest of whatever kind in and to the Marks and the Property, together with (1) the goodwill of the business relating to the Products in respect upon which the Marks are used and for which they are registered; (2) all income, royalties, and damages hereafter due or payable to ASSIGNOR with respect to the Marks, including without limitation, damages, and payments for past or future infringements and misappropriations of the Marks; and (3) all rights to sue for past, present and future infringements or misappropriations of the Marks.

ASSIGNOR further covenants that it will execute all documents, papers, forms and authorizations and take all other actions that may be necessary for securing, completing, or vesting in ASSIGNEE full right, title, and interest in the Marks and the Property.

IN WITNESS WHEREOF, ASSIGNOR has duly executed under seal and delivered this Assignment, as of the day and year first above written.

Industrial Adhesive Co.

By Manuel Belbis, President

ACKNOWLEDGEMENT

State Of Illinois)
)
County of Will)

On Sept. 17, 2007 before me, Elizabeth Corley, Notary Public, personally appeared Manuel Belbis, proved to me on the basis of satisfactory evidence to be the person(s) whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity as President of Industrial Adhesive Co., and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.


Signature of Notary Public



IAC - Royal Trademark Assignment
081007

EXHIBIT A

TRADEMARKS

(Registered with the US Patent and Trademark Office)

Mark	Serial No.	Reg. No.	Filing Date	Reg. Date
IAC and logo	75/476514	2,334,441	April 29, 1998	March 28, 2000
Bond-Plus	73/139810	1,094,852	September 2, 1977	July 4, 1978
The Bond Power Company and logo	75/476515	2,356,593	April 29, 1998	June 13, 2000

IAC - Royal Trademark Assignment
081007

PATENT ASSIGNMENT

This Assignment ("Assignment") is made effective as of ~~November 21~~ 2007 from Gregory L. Johnson, an individual residing at Wilmette, Illinois and Manuel Belbis, an individual residing at Palos Hills, Illinois ("ASSIGNORS"), to Royal Adhesives and Sealants, L.L.C. a Delaware limited liability company having an address at 2001 W. Washington Street, South Bend, Indiana 46628 ("ASSIGNEE");

WHEREAS, ASSIGNORS have invented certain new and useful improvements in envelope adhesives with flavors and scents for which an application for Letters Patent of the United States of America has been executed by the ASSIGNORS and filed in the US Patent and Trademark Office on or about April 16, 2004 and is pending as Patent Application Number 20050230459 as of October 20, 2005 and other intellectual property as described in Exhibit A, attached hereto and incorporated by reference herein (the "Invention").

WHEREAS, ASSIGNORS desires to sell, convey, transfer, assign, deliver, and contribute to ASSIGNEE all of the right, title, and interest of each of them, jointly and severally, in and to the Invention.

NOW, THEREFORE, in consideration of the payment of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, ASSIGNORS hereby sell, convey, transfer, assign, deliver, and contribute to ASSIGNEE in equal and undivided amounts, all of ASSIGNORS' right, title, and interest of whatever kind in and to the Invention, together with (1) the full and exclusive right to the Invention in the United States, its territories, dependencies and possessions and the entire right, title and interest in and to any and all Letters Patent which may be granted therefor in the United States and in any and all foreign countries and to any and all divisions, reissues, continuations, conversions and extensions thereof for the full term or terms for which the same may be granted; (2) all income, royalties, and damages hereafter due or payable to either ASSIGNOR or both with respect to the Invention, including without limitation, damages, and payments for past or future infringements and misappropriations of the Invention and any Letters Patent which may be granted; and (3) all rights to sue for past, present and future infringements or misappropriations of the Invention and any Letters Patent which may be granted.

Each ASSIGNOR further covenants and agrees that he will execute all documents, papers, forms and authorizations and take all other actions that may be necessary for securing, completing, or vesting in ASSIGNEE full right, title, and interest in the Invention and any Letters Patent which may be granted.

Each ASSIGNOR further covenants and agrees that he will execute all documents, papers, forms and authorizations and take all other actions that may be necessary in connection with Patent Application Number 20050230459 and any continuing, divisional, conversion or reissue applications thereof and also to execute separate assignments in connection with such applications as the ASSIGNEE may deem necessary or expedient.

Each ASSIGNOR further covenants and agrees that he will execute all documents, papers, forms and authorizations and take all other actions that may be necessary in connection with any interference which may be declared concerning Patent Application Number 20050230459 or any continuation, division, conversion or reissue thereof or Letters Patent or reissue patent issued thereon and to cooperate with the ASSIGNEE in every way possible in obtaining and producing evidence and proceeding with such interference.

Each ASSIGNOR further covenants and agrees that he will execute all documents, papers, forms and authorizations and take all other actions that may be necessary in connection with claims or provisions of the International Convention for the Protection of Industrial Property or similar agreements.

Each ASSIGNOR hereby authorizes and requests the representatives and officials of the US Patent and Trademark Office and of the patent and trademark offices in any foreign countries to issue any and all Letters Patent resulting from the Invention and from Patent Application Number 20050230459 or any continuing, divisional conversion or reissue applications thereof to the ASSIGNEE, as ASSIGNEE of the

IAC Royal Patent Assignment
081007

entire interest, and hereby covenants that he has (and together they have) the full right to convert the entire interest assigned herein, and that he has (and together they have) not executed, and will not execute any agreement in conflict with this Assignment

The ASSIGNORS hereby covenant, and each of them covenants, that no assignment, sale, agreement or encumbrance has been or will be made or entered into which would conflict with this Assignment.

IN WITNESS WHEREOF each ASSIGNOR has duly executed and delivered this Assignment, as of the day and year first above written

MANUEL BELBIS
[Signature]
Manuel Belbis
Date

GREGORY L. JOHNSON
[Signature]
Gregory L. Johnson
Date

ACKNOWLEDGEMENT

State Of Illinois :
County of Will :

On September 21 2007 before me, Elizabeth Corley, Notary Public, personally appeared Manuel Belbis, proved to me on the basis of satisfactory evidence to be the person(s) whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument

WITNESS my hand and official seal

[Signature]
Signature of Notary Public



State Of Illinois :
County of Will :

On September 21 2007 before me, Elizabeth Corley, Notary Public, personally appeared Gregory L. Johnson, proved to me on the basis of satisfactory evidence to be the person(s) whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument

WITNESS my hand and official seal

[Signature]
Signature of Notary Public



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081007

EXHIBIT A

Patent Application Number 20050230459 - Copy Attached
(Registered with the US Patent and Trademark Office)

JAC - Royal Patent Assignment
081007

US PATENT & TRADEMARK OFFICE

PATENT APPLICATION FULL TEXT AND IMAGE DATABASE



(1 of 1)

United States Patent Application

20050230459

Kind Code

A1

Johnson, Gregory L. ; et al.

October 20, 2005

Envelope adhesives with flavors and scents

Abstract

An envelope adhesive, in an exemplary embodiment, includes a polymeric material, a flavor substance that produces a predetermined taste upon application of moisture to the envelope adhesive material, and a fragrance corresponding to the flavor.

Inventors: Johnson, Gregory L.; (Wilmette, IL) ; Belbis, Manuel; (Palos Hills, IL)

Correspondence

Name and Address: John S. Beulick
 Armstrong Teasdale LLP
 Suite 2600
 One Metropolitan Square
 St. Louis
 MO
 63102
 US

Serial No.: 826594

Series Code: 10

Filed: April 16, 2004

U.S. Current Class:

229/80

U.S. Class at Publication:

229/080

Intern'l Class:

B65D 027/14

Claims

What is claimed is:

1. An envelope adhesive material comprising: a polymeric material; a flavor substance that produces a predetermined taste upon application of moisture to said envelope adhesive material; and a fragrance corresponding to said flavor.
2. An envelope adhesive in accordance with claim 1 wherein said flavor comprises at least one of popcorn flavor, chocolate flavor, cinnamon flavor, lemon flavor, orange flavor, peppermint flavor, pumpkin flavor, strawberry flavor, apple flavor, and vanilla flavor.
3. An envelope adhesive in accordance with claim 1 wherein said fragrance comprises at least one of popcorn fragrance, chocolate fragrance, cinnamon fragrance, lemon fragrance, orange fragrance, peppermint fragrance, pumpkin fragrance, strawberry fragrance, apple fragrance, and vanilla fragrance.
4. An envelope adhesive in accordance with claim 1 wherein said polymeric material comprises an ethylene vinyl acetate copolymer.
5. An envelope comprising: a seal flap; and an adhesive covering at least a portion of said seal flap for sealing said envelope, said adhesive comprising: a polymeric material; a flavor substance that produces a predetermined taste upon application of moisture to said envelope adhesive material; and a fragrance corresponding to said flavor.
6. An envelope in accordance with claim 5 wherein said flavor comprises at least one of popcorn flavor, chocolate flavor, cinnamon flavor, lemon flavor, orange flavor, peppermint flavor, pumpkin flavor, strawberry flavor, apple flavor, and vanilla flavor.
7. An envelope in accordance with claim 5 wherein said fragrance comprises at least one of popcorn fragrance, chocolate fragrance, cinnamon fragrance, lemon fragrance, orange fragrance, peppermint fragrance, pumpkin fragrance, strawberry fragrance, apple fragrance, and vanilla fragrance.
8. An envelope in accordance with claim 5 wherein said polymeric material comprises an ethylene vinyl acetate copolymer.
9. An envelope comprising: a front panel; a rear panel; a seal flap; and an adhesive covering at least a portion of said seal flap for sealing said envelope, said adhesive comprising: a polymeric material; a flavor substance that produces a predetermined taste upon application of moisture to said envelope adhesive material, said flavor comprises at least one of popcorn flavor, chocolate flavor, cinnamon flavor, lemon flavor, orange flavor, peppermint flavor, pumpkin flavor, strawberry flavor, apple flavor, and vanilla flavor; and a fragrance corresponding to said flavor.
10. An envelope in accordance with claim 9 wherein said fragrance comprises at least one of popcorn fragrance, chocolate fragrance, cinnamon fragrance, lemon fragrance, orange fragrance, peppermint fragrance, pumpkin fragrance, strawberry fragrance, apple fragrance, and vanilla fragrance.

11. An envelope in accordance with claim 9 wherein said polymeric material comprises an ethylene vinyl acetate copolymer.
12. A method of fabricating an envelope comprising: providing a substrate; forming an envelope blank from the substrate, the envelope blank comprising a front panel, a rear panel secured to the front panel, a seal flap secured to the front panel, and two side panels secured to opposing sides of the front panel; applying an adhesive gum to at least a portion of the seal flap; folding the rear panel; and securing the rear panel to the two side flaps; the adhesive gum comprising: a polymeric material; a flavor substance that produces a predetermined taste upon application of moisture to the envelope adhesive material; and a fragrance corresponding to the flavor.
13. An method in accordance with claim 12 wherein the flavor comprises at least one of popcorn flavor, chocolate flavor, cinnamon flavor, lemon flavor, orange flavor, peppermint flavor, pumpkin flavor, strawberry flavor, apple flavor, and vanilla flavor.
14. An method in accordance with claim 12 wherein the fragrance comprises at least one of popcorn fragrance, chocolate fragrance, cinnamon fragrance, lemon fragrance, orange fragrance, peppermint fragrance, pumpkin fragrance, strawberry fragrance, apple fragrance, and vanilla fragrance.
15. An method in accordance with claim 12 wherein the polymeric material comprises an ethylene vinyl acetate copolymer.

Description

BACKGROUND OF THE INVENTION

[0001] This invention relates generally to envelopes, and more particularly to envelopes containing an adhesive material that has a flavor and a corresponding fragrance.

[0002] Known envelopes include a seal flap having a moisture activated adhesive or glue for sealing the envelope. Users typically lick the glue to activate the glue. However, the glue of known envelopes typically have an unpleasant taste and/or smell.

[0003] Users have used wet rags or wet sponges to moisten the envelope glue to avoid having to lick the unpleasant tasting glue. Also, some envelope users have resorted to using moisture applicators that have been developed to moisten the glue on an envelope seal flap. However, these methods of envelope glue licking avoidance are typically messy and require clean-up of the envelope and/or the surface that the envelope was resting when the wet rag or moisture applicator was used. Another problem with messy moisture applicators and wet rags and sponges is the possibility of smearing the writing on the envelope, which typically includes the mailing address, because of excess water.

BRIEF DESCRIPTION OF THE INVENTION

[0004] In one aspect, an envelope adhesive material is provided. The envelope adhesive includes a polymeric material, a flavor substance that produces a predetermined taste upon application of moisture to the envelope adhesive material, and a fragrance corresponding to the flavor.

[0005] In another aspect, an envelope is provided. The envelope includes a seal flap and an adhesive covering at least a portion of the seal flap for sealing the envelope. The adhesive includes a polymeric material, a flavor substance that produces a predetermined taste upon application of moisture to the envelope adhesive material, and a fragrance corresponding to the flavor.

[0006] In another aspect, a method of fabricating an envelope is provided. The method includes the steps of providing a substrate, forming an envelope blank from the substrate, the envelope blank comprising a front panel, a rear panel secured to the front panel, a seal flap secured to the front panel, and two side panels secured to opposing sides of the front panel, applying an adhesive gum to at least a portion of the seal flap, folding the rear panel, and securing the rear panel to the two side flaps. The adhesive gum includes a polymeric material, a flavor substance that produces a predetermined taste upon application of moisture to the envelope adhesive material, and a fragrance corresponding to the flavor.

BRIEF DESCRIPTION OF THE DRAWINGS

[0007] FIG. 1 is a planar schematic illustration of an envelope in accordance with an embodiment of the present invention.

[0008] FIG. 2 is a planar schematic illustration of the envelope blank used for forming the envelope shown in FIG. 1.

DETAILED DESCRIPTION OF THE INVENTION

[0009] Envelopes that include an adhesive gum that has an incorporated flavor and corresponding scent or aroma are describe below in detail. The envelopes with the flavored and scented adhesive are easily sealed and provide a fun flavor and scent for the user to enjoy instead of an unpleasant tasting adhesive used on known envelopes. Users will not have to resort to wet rags, wet sponges, or messy moisture applicators to moisten the envelope glue to avoid having to lick an unpleasant tasting glue. The envelopes with flavored and scented adhesive gum can be used as seasonal greeting card envelopes incorporating fun flavors targeted for specific holiday themes, for example Halloween, Christmas, and Valentines Day. The envelopes are also suited for Birthday cards to provide a fun flavor and scent for the birthday celebration.

[0010] Referring to the drawings, FIG. 1 is a planar schematic illustration of an envelope 10 in accordance with an exemplary embodiment of the present invention. FIG. 2 is a planar schematic illustration of an envelope blank 12 that is used in forming envelope 10. Referring to FIGS. 1 and 2, envelope 10 includes a front panel 14, a seal flap 16, a rear panel 18, and side flaps 20 and 22. Seal flap 16 extends from a first side 24 of front panel 14 and is foldably connected to front panel 14 by a fold line 26. Rear panel 18 extends from a second side 28, opposed to first side 24, of front panel 14 and is foldably connected to front panel 14 by fold line 30. Side flaps 20 and 22 extend from opposed third and fourth sides 32 and 34 of front panel respectively. Side flaps 20 and 22 are foldably connected to front panel 14 by fold lines 36 and 38 respectively.

[0011] An envelope adhesive gum 40 covers at least a portion of an inside surface 42 of seal flap 16. In the exemplary embodiment, adhesive 40 covers a peripheral area 44 of seal flap 16. Adhesive gum 40 is formed from a polymeric material, a flavor material, and a fragrance. Any suitable polymeric material