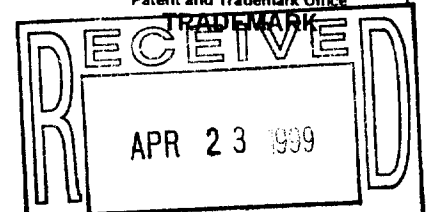


05-14-1999



101037343

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY



MRO
4-23-99

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID # _____
- Correction of PTO Error
Reel # _____ Frame # _____
- Corrective Document
Reel # _____ Frame # _____

Conveyance Type

- Assignment License
 - Security Agreement Nunc Pro Tunc Assignment
 - Merger
 - Change of Name
 - Other _____
- Effective Date
Month Day Year
01 25 1999

Conveying Party

Mark if additional names of conveying parties attached

Name Execution Date
Month Day Year
01 25 1999

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

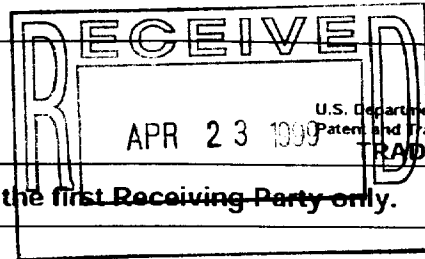
City State/Country Zip Code

- Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)
- Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

05/13/1999 DNGUYEN 00000223 050221 1529165

FOR OFFICE USE ONLY

01 FC:481 40.00 CH
02 FC:482 250.00 CH



Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments. #

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

| | | |
|--|--|----------------------|
| <input type="text" value="75-455107"/> | <input type="text" value="75-454034"/> | <input type="text"/> |
| <input type="text" value="75-454036"/> | <input type="text"/> | <input type="text"/> |
| <input type="text" value="75-453571"/> | <input type="text"/> | <input type="text"/> |

| | | |
|--|--|--------------------------------------|
| <input type="text" value="1,529,165"/> | <input type="text" value="1,460,464"/> | <input type="text" value="411,605"/> |
| <input type="text" value="1,244,934"/> | <input type="text" value="614,661"/> | <input type="text"/> |
| <input type="text" value="1,932,479"/> | <input type="text" value="1,753,482"/> | <input type="text"/> |

Number of Properties

Enter the total number of properties involved. #

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

Authorization to charge additional fees: Yes No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Betty J. Boshears

Betty J. Boshears

4/20/99

Name of Person Signing

Signature

Date Signed

ASSET PURCHASE AGREEMENT

by and among

RHODIA INC.,

ABCO INDUSTRIES, INCORPORATED

and

EASTMAN CHEMICAL CANADA, INC.

As of January 25, 1999

ASSET PURCHASE AGREEMENT, dated January 25, 1999 by and among Rhodia Inc., a Delaware corporation ("Seller"), ABCO Industries, Incorporated, a South Carolina corporation ("ABCO"), and Eastman Chemical Canada, Inc., a Canadian corporation ("ECCI") (ABCO and ECCI are hereinafter referred to as "Purchaser").

WHEREAS, the Seller is engaged in the business of developing, marketing and selling the textile chemicals products and the other products currently under development by Seller listed on Schedule 1 for use in the sizing (fabric formation utilizing synthetic or natural fibers and yarns) and wet processing (preparation, dyeing and finishing of textile materials or garments prior to marketing to the consumer) markets in the United States, Mexico and Canada (collectively, the "Products") (such operations are referred to herein as the "Business"); and

WHEREAS, the Seller desires to sell and assign, and the Purchaser desires to purchase and assume, certain assets and liabilities related to the Business upon and subject to the terms and conditions hereinafter set forth;

NOW THEREFORE, in consideration of the premises and of the mutual agreements and covenants hereinafter set forth, the parties hereto agree as follows:

ARTICLE I.

SALE AND PURCHASE

SECTION 1.1 Assets to be Sold and Purchased.

(a) Subject to Section 1.1(b) and the other terms and conditions hereof, Seller shall sell, assign, transfer, convey and deliver to the Purchaser, and Purchaser shall purchase from the Seller, the following property, assets and rights to the extent that they relate to the Business or to the Products (collectively, the "Assets"):

(i) all of the Seller's rights in, to and under all technology licenses (other than software licenses executed in the ordinary course of business (e.g. word processing programs, spreadsheet programs, etc.)), patents, trade names, trademarks, copyrights, servicemarks, trademark and servicemark registrations and applications for the foregoing, listed on Schedule 1.1(a)(i), including all good will associated therewith, but excluding the Excluded Intellectual Property (as defined in Section 1.1(b)(vii)(A) below);

(ii) the lists (the "Customer Lists") of customers of Seller and its Affiliates (as defined herein) that currently purchase Products from the operations of Seller in the United States, Mexico and Canada ("North America"), including exports by Seller to its Affiliates in the countries in Southeast Asia listed on Schedule 1.1(a)(ii) (the "Southeast Asian Countries");

(iii) all sales contracts between Seller or any of its Affiliates and any customer identified on the Customer Lists for Products supplied by or on behalf of Seller regarding the Business (the "Sales Contracts");

all of the Seller's rights in, to and under product literature and related materials, and customer lists and files and similar marketing data in writing, used by Seller in the operation of the Business. but excluding the Excluded Intellectual Property (together with the intellectual property described in Sections 1.1(a)(i), (ii) and (iii), the "Intellectual Property"), and any Intellectual Property conveyed after the Closing Date (as defined herein) pursuant to Section 3.5 of the Surfactants Supply Agreement (as defined herein) and including all of the Seller's books and records relating solely to the Intellectual Property;

(iv) all of the Seller's rights in, to and under the goodwill of the Business;

(v) subject to Section 1.7, the Seller's rights under all sales and distribution contracts, agreements, arrangements or understandings to the extent that they relate to the Business or to the Products, whether or not there are any written contracts with respect thereto (which are listed on Schedule 1.1(a)(vi)) including customer specifications ("Customer Recipes") for all textile chemicals and related products manufactured, sold or supplied by Seller and its Affiliates, directly or indirectly, to Seller's customer in the Business (such contracts, agreements, arrangements and understandings, the "Assumed Contracts");

(vi) subject to Section 1.7, the Seller's rights under the lease agreement regarding the facilities located at 1000 Hurricane Shoals Road, Lawrenceville, GA (the "Lawrenceville Facilities") described on Schedule 1.1(a)(vii) (the "Lawrenceville Lease");

(vii) the Seller's rights to the finished goods inventories sourced from Vinings and all resale inventory listed on Schedule 1.1(a)(viii) as such exist on the Closing Date (the "Inventories"); and

(viii) all of the Seller's rights in and to the machinery, equipment, tools, supplies, spare parts, computers and computer server, rolling stock, furniture and fixtures located at the Lawrenceville Facilities and used in the Business on the Closing Date including those items specifically listed on Seller's asset register, which are listed on Schedule 1.1(a)(ix) (the "Equipment");

(ix) health, safety, toxicological and environmental testing studies or correspondence with respect thereto, material safety data sheets ("MSDS"), product registrations and Permits (as defined herein) relating to the Products ("HSE Data");

(x) subject to Section 1.7, the Seller's rights under the leases for automobiles used by Seller's sales representatives listed on Schedule 1.1(a)(xi) (the "Automobile Leases" and together with the Lawrenceville Lease, the "Assumed Leases"); and

(xi) subject to Section 1.7, the Seller's rights under any confidentiality, secrecy and/or noncompetition agreements with any persons listed on Schedule 1.1(a)(xii) to the extent that such

agreements relate to the Business whether or not in any written employment agreement (the "Employee Agreements"), except that Seller shall retain its right to enforce the Employee Agreements as to any trade secrets or confidential information not relating to the Business.

(b) The Assets shall exclude all assets and property of the Seller not specifically included in the definition of Assets set forth in Section 1.1(a) and, notwithstanding Section 1.1(a), shall specifically exclude the following assets and property:

(i) all of the Seller's rights in and to any and all of the real property owned by the Seller together with all buildings and improvements thereon;

(ii) cash on hand, cash equivalents, investments (including, without limitation, stock, debt instruments, options and other instruments and securities) and bank deposits of the Seller;

(iii) all of the accounts receivable of the Seller;

(iv) tax refunds and recoveries and similar benefits of the Seller, and all of the Seller's tax return records;

(v) all corporate records of the Seller including, without limitation, the stock ledger of the Seller and the minute books regarding meetings of the stockholders, directors and director committees of the Seller;

(vi) subject to Section 4.10(a), all of the Seller's rights in, to and under the names "Rhodia," "Rhone-Poulenc" and all derivatives thereof, all patents, patent applications, trade names, trademarks, copyrights, servicemarks, trademark and servicemark registrations and applications utilized in the Business that are listed on Schedule 1.1(b)(vi), all of which shall be excluded from the definition of the term "Intellectual Property";

(vii) all of the Seller's rights in, to and under trade secrets, product formulations and associated manufacturing and process know-how, whether currently being used or under development, including product testing and quality control procedures, product applications and associated know-how, unpatented inventions, research developments and know-how, technology, technical information, engineering and other drawings, engineering data, design and engineering specifications that relate to the Products that are not sourced from Vinings (together with the excluded intellectual property described in Section 1.1(b)(vi), the "Excluded Intellectual Property"), and all of the Seller's books, records and computer programs relating to the Excluded Intellectual Property; and

(viii) samples of the Products manufactured prior to the Closing (as defined herein) and retained by the Seller to meet any governmental agency and internal quality control requirements;

(ix) subject to Section 4.10, all unused stationery, forms, stock and packaging that contain or otherwise use the Excluded Intellectual Property;

(x) the Seller's rights under any Employee Plans (as defined herein);

(xi) all of the Seller's rights under any insurance policies; and

(xii) all assets (including, without limitation, intellectual property) to the extent relating to any of the Seller's operations other than the Business.

SECTION 1.2 Assumed Liabilities.

(a) Subject only to the provisions of Section 1.2(b) and Section 1.7, and in addition to the obligations assumed pursuant to Section 4.6, the Purchaser shall assume, pay, fulfill, perform or otherwise discharge the liabilities and obligations of Seller under the Assumed Contracts and the Assumed Leases (the "Assumed Liabilities").

(b) Notwithstanding anything to the contrary in Section 1.2(a), the Purchaser shall not be required to assume, pay, fulfill, perform or otherwise discharge any of the following liabilities and obligations of the Seller:

(i) any liability and obligation of the Seller relating to its operations other than the Business;

(ii) all accounts payable incurred by the Seller on or before the Closing Date;

(iii) any liability or obligation of the Seller relating to the operation of the Business on or before the Closing Date;

(iv) any liability or obligation for any federal, state, local or foreign income, gross receipt, license, payroll, employment, excise, severance, environmental, customs duties, withholding, social security, value added or any other tax of any nature, including any interest, penalty or addition thereto, whether disputed or not, with respect to any period (or partial period) ending on or before the Closing Date;

(v) any liability or obligation of Seller based upon or arising out of this Agreement or any Ancillary Agreements (as defined herein); or

(vi) any liability or obligation of Seller arising out of its violation of any law, rule or order prior to the Closing Date or any breach of any Assumed Contract, Employee Agreement or Assumed Lease on or before the Closing Date.

SECTION 1.3 Purchase Price.

(a) The purchase price for the Assets (excluding the Inventories) shall be U.S. \$10,500,000 (the "Purchase Price"). The purchase price for the Inventories shall be \$750,000 (the "Inventories Purchase Price"), subject to adjustment pursuant to Section 1.3(c) hereof.

(b) On the Closing Date, the Purchaser shall pay, to such account or accounts as the Seller may direct by written notice delivered to the Purchaser at least one (1) day prior to the Closing Date, to the Seller by wire transfer of immediately available funds an amount equal to the Purchase Price and the Inventories Purchase Price.

(c) (i) The Seller and the Purchaser shall jointly conduct a physical count of the quantity of all Inventories as of the opening of business on the Closing Date. The parties shall cause a report of the results of such count to be completed within twenty (20) days after the Closing.

(ii) If any party objects to the report of the physical count or if the parties are unable to agree as to the physical count within twenty (20) days after the Closing, the parties shall attempt in good faith to resolve the issues and reach final agreement; provided, however, if no agreement has been reached within twenty (20) days after submission by any party of its objections to such determination, then any party may submit the disputed items to an independent accounting firm selected by the parties by mutual agreement for a determination which is final and binding on the parties. The independent accounting firm shall make such determination within twenty (20) days after submission of the matter by the parties. The fees and expenses of such accounting firm shall be shared by the Purchaser and the Seller in inverse proportion to the amount in dispute with respect to which the Purchaser or Seller, as the case may be, shall prevail.

(iii) Upon finalization of the report of the physical count, the Seller shall submit to the Purchaser a written determination of the net book value of the Inventories as of the Closing Date, based on the quantities set forth in such report and the net book value for the Inventories determined in accordance with the Seller's standard financial and accounting procedures set forth in Schedule 1.3(c)(iii) (the "Inventories Amount"). The Purchaser shall have thirty (30) days from the date of receipt of the written determination of the Inventories Amount to review such determination, and to agree or disagree as to the Inventories Amount submitted by the Seller. If the Purchaser does not agree with the Inventories Amount submitted by Seller, then the Purchaser shall, within such thirty (30) day period, deliver a written objection to the Seller which shall specify in reasonable detail the basis for the objection and a computation of the Inventories Amount asserted by the Purchaser (collectively, the "Objection"). Upon Seller's receipt of such Objection, the Purchaser and the Seller and their respective accounting firms shall negotiate in good faith to resolve the Objection, but if the Objection cannot be resolved by negotiation between the parties within thirty (30) days after the Seller's receipt of the Objection, the parties shall cause the written determination of the Inventories Amount, the Objection, and all work papers related thereto (collectively, the "Determination Materials") to be submitted to an independent accounting firm selected by the parties by mutual agreement and with which neither the parties nor any of their respective Affiliates has had any

significant dealings, either direct or indirect, during the preceding five (5) years (the "Arbitrator"), which shall review the Determination Materials and shall determine the Inventories Amount, which may not be outside the range of value defined by the Inventories Amount asserted in the written determination submitted by the Seller and the Inventories Amount asserted in the Objection, and notify the parties of its determination within thirty (30) days following the receipt of the Determination Materials, which determination shall be final and conclusive. The fees and expenses of the Arbitrator shall be shared by the Purchaser and the Seller in inverse proportion to the amount in dispute with respect to which the Purchaser or the Seller, as the case may be, shall prevail. All determinations pursuant to this Section 1.3(c)(iii) shall be in writing and shall be delivered to the parties hereto.

(iv) If the Inventories Amount as so determined under this Agreement is less than \$750,000, then the difference between such amount and the Inventories Amount shall be treated as a dollar for dollar reduction of the Inventories Purchase Price. If the Inventories Amount as so determined under this Agreement is equal to or more than \$750,000, then there shall be no adjustment to the Inventories Purchase Price. Any adjustment to the Inventories Purchase Price pursuant to this Section shall be paid by the Seller not later than ten (10) business days after final determination.

(d) The Inventories shall be sold to the Purchaser hereunder (i) F.O.B. Seller's warehouse(s) or facilities for resale Products, (ii) F.O.B. Vinings Industries warehouse(s) or facilities for Products sourced at Vinings, and (iii) F.O.B. consignees' warehouses or facilities for Products held by such consignees on consignment. The foregoing locations are detailed on Schedule 1.3(d).

SECTION 1.4 Reserved.

SECTION 1.5 Allocation of the Purchase Price. The Asset Purchase Price shall be allocated among the Assets (excluding the Inventories) and the covenant contained in Section 9.1 hereof in the manner set forth on Schedule 1.5 for all purposes, and each of the parties shall make all appropriate tax and other filings on a basis consistent with such allocation. The parties shall exchange drafts of any information returns required by Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code"), and all similar state statutes, ten days prior to filing any such return.

SECTION 1.6 Closing.

(a) Subject to the terms and conditions of this Agreement, the sale and purchase of the Assets contemplated hereby (the "Closing") shall take place at 10:00 a.m., local time, at the offices of King & Spalding, 191 Peachtree Street, Atlanta, Georgia 30303, on the later of (i) February 1, 1999 or (ii) on a date selected by the parties not later than the fifth business day following the satisfaction or waiver of all of the conditions in Articles V and VI of this Agreement (the "Closing Date").

(b) At the Closing, the Seller shall deliver to the Purchaser and/or its designee:

(i) a Bill of Sale and Assignment substantially in the form attached hereto as Exhibit A (the "Bill of Sale");

(ii) a Bill of Sale and Assignment (the "Canadian Bill of Sale"), pursuant to which the Assets related to the Canadian portion of the Business will be sold, assigned, transferred conveyed and delivered;

(iii) Assignments of trademarks and servicemarks, including applications and registrations, and an assignment of patents and patent applications, substantially in the forms attached hereto as Exhibits B-1 and B-2 (the "Intellectual Property Assignments"), relating to the Intellectual Property;

(iv) an Assignment and Assumption Agreement substantially in the form attached hereto as Exhibit C (the "Assignment and Assumption Agreement"), pursuant to which Seller shall assign to Purchaser Seller's right, title and interest under the Assumed Contracts, and the Assumed Leases and Purchaser assumes Seller's obligations thereunder;

(v) an Assignment and Assumption Agreement (the "Canadian Assignment and Assumption Agreement"), pursuant to which Seller shall assign to Purchaser Seller's right, title and interest under the Assumed Contracts as they relate to the Canadian portion of the Business, and Purchaser assumes Seller's obligations thereunder;

(vi) a License Agreement substantially in the form attached hereto as Exhibit D (with all exhibits and schedules attached and completed to Seller's and Purchaser's reasonable satisfaction) (the "Seller License Agreement");

(vii) a Sublicense Agreement substantially in the form attached hereto as Exhibit E (with all exhibits and schedules attached and completed to Seller's and Purchaser's reasonable satisfaction) (the "Seller Sublicense Agreement");

(viii) a Services Agreement substantially in the form attached hereto as Exhibit F (with all exhibits and schedules attached and completed to Seller's and Purchaser's reasonable satisfaction) (the "Services Agreement");

(ix) a Noncompetition Agreement substantially in the form attached hereto as Exhibit G (the "Noncompetition Agreement");

(x) a Supply and Distribution Agreement substantially in the form attached hereto as Exhibit H (with all exhibits and schedules attached and completed to Seller's and Purchaser's reasonable satisfaction) (the "Surfactants Supply Agreement") between Seller and Rhone-Poulenc Surfactants and Specialities L.P., as suppliers, and Purchaser, as purchaser and distributor;

(xi) a certificate of Seller substantially in the form attached hereto as Exhibit I (the "Seller Certificate");

(xii) a landlord's estoppel certificate substantially in the form attached hereto as Exhibit J-1 and a tenant's estoppel certificate substantially in the form attached hereto as Exhibit J-2 (collectively the "Estoppel Certificates");

(xiii) any consents that Seller is required to obtain pursuant to Section 4.4;

(xiv) all HSE Data;

(xv) all MSDS, warnings or information on precautionary measures, and instructions on proper care, use, handling, storage, transportation and disposal of for the Products in Seller's possession; and

(xvi) such other instruments of assignment or conveyance as the Purchaser may reasonably request as necessary or appropriate to vest in the Purchaser good and marketable title to the Assets to be sold by the Seller hereunder.

(c) At the Closing, the Purchaser shall deliver to the Seller:

(i) the Purchase Price;

(ii) the Inventories Purchase Price;

(iii) the Assignment and Assumption Agreement;

(iv) the Canadian Assignment and Assumption Agreement;

(v) the Intellectual Property Assignments;

(vi) the Seller License Agreement;

(vii) the Seller Sublicense Agreement;

(viii) the Services Agreement;

(ix) the Noncompetition Agreement;

(x) the Surfactants Supply Agreement;

(xi) any consents that Purchaser is required to obtain pursuant to Section 4.4; and

(xii) a certificate of an officer of ABCO substantially in the form attached hereto as Exhibit K-1 and a certificate of an officer of ECCI substantially in the form attached hereto as Exhibit K-2 (the "Purchaser Certificate").

SECTION 1.7 Non-Assignable Contracts.

(a) Schedule 1.7(a) sets forth a list of certain Assumed Contracts and Assumed Leases in respect of which any consent or waiver is required from any third party prior to the assignment of such Assumed Contract or Assumed Lease by Seller to Purchaser ("Section 1.7(a) Contracts"), which consents or waivers (subject to Section 4.4) are not required as a condition to closing pursuant to Section 5.3 hereof.

(b) To the extent that any Section 1.7(a) Contract is not capable of being assigned, transferred, subleased or sublicensed without the consent or waiver of the other party thereto or any third party (including a government or governmental unit), or if such assignment, transfer, sublease or sublicense or attempted assignment, transfer, sublease or sublicense would constitute a breach thereof or a violation of any law, decree, order, regulation or other governmental edict, this Agreement shall not constitute an assignment, transfer, sublease or sublicense thereof, or an attempted assignment, transfer, sublease or sublicense of any such Section 1.7(a) Contract.

(c) Anything in this Agreement to the contrary notwithstanding, the Seller is not obligated to transfer to the Purchaser any of its rights and obligations in and to any of the Section 1.7(a) Contracts without first having obtained all necessary consents and waivers. For a reasonable period of time after the Closing Date, the Seller shall use reasonable efforts (which shall not require the Seller to incur any financial obligation), and the Purchaser shall cooperate with the Seller, to obtain the consents and waivers referred to in Section 1.7(b) and to obtain any other consents and waivers necessary to convey to the Purchaser all of the Section 1.7(a) Contracts.

(d) To the extent that such consents and waivers are not obtained by the Seller, the Seller and the Purchaser shall each use reasonable efforts to establish arrangements that are reasonable and lawful as to the Seller and the Purchaser, and which result in the benefits and obligations under such Section 1.7(a) Contracts being apportioned in a manner that is in accordance with the purpose and intention of this Agreement.

(e) To the extent such consents and waivers are not obtained by the Seller, Purchaser shall have no obligations with respect thereto, except as set forth in Section 1.7(d) above.

ARTICLE II.

REPRESENTATIONS AND WARRANTIES OF SELLER

The Seller represents and warrants to the Purchaser as follows:

SECTION 2.1 Organization of Seller. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite power and authority to own the Assets and to carry on the Business as presently conducted, to execute and deliver this Agreement and the other agreements and instruments to be executed and delivered by the parties pursuant to this Agreement (the "Ancillary Agreements") and to consummate the transactions contemplated hereby and thereby. The Seller is duly licensed or qualified to do business and is in good standing in each jurisdiction listed in Schedule 2.1, which are only jurisdictions where the conduct of the Business by Seller requires it to be licensed or qualified.

SECTION 2.2 Execution and Binding Effect. This Agreement has been duly and validly executed and delivered by the Seller and constitutes, and the Ancillary Agreements upon their execution and delivery by the Seller on or prior to the Closing Date will constitute (assuming, in each case, the due and valid authorization, execution and delivery thereof by the other parties thereto), legal, valid and binding agreements of the Seller, enforceable against the Seller in accordance with their respective terms except as such enforceability may be limited by bankruptcy, insolvency or similar laws and by equitable principles.

SECTION 2.3 No Violation; Consents and Approvals. Except as provided in Schedule 2.3, neither the execution, delivery and performance of this Agreement or the Ancillary Agreements to which Seller is a party nor the consummation by the Seller of the transactions contemplated hereby and thereby will (i) conflict with, violate or result in any breach of the terms, conditions or provisions of the Seller's certificate of incorporation or by-laws, (ii) conflict with, violate or result in any breach of, or constitute a default (or give rise to any right of termination, cancellation or acceleration) under, any of the terms, conditions or provisions of any material agreement, lease, instrument, obligation, understanding or arrangement (or to the knowledge of the Seller any other agreement, lease, instrument, obligation, understanding or arrangement) in respect of the Business to which the Seller is a party or by which the Seller or any of the Assets may be bound or subject except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained, or require any permit, consent or approval of any party to any such agreement, lease, instrument, obligation or arrangement, (iii) violate any statute, ordinance or law or any rule, regulation, order, writ, injunction or decree of any court or of any public, governmental or regulatory body, agency or authority applicable to the Seller or by which any of its properties or assets may be bound or subject, or (iv) require any filing (other than as may be required by the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act")), declaration or registration with, or permit, consent or approval of, or the giving of any notice to, any public, governmental or regulatory body, agency or authority or any third party associated therewith.

SECTION 2.4 Financial Statements. The unaudited management statements for the 11 month period ended November 30, 1998, attached hereto as Schedule 2.4, were prepared from the books and records of the Seller relating to the Business and are materially accurate and fairly present the results of its operations for the periods indicated (the "Financial Statements").

SECTION 2.5 Absence of Certain Changes or Events. Except as set forth on Schedule 2.5, with respect to both the Business and the Assets, the Seller has not since April 30, 1998:

(a) permitted or allowed any of the Assets to be mortgaged, pledged or subjected to any lien or encumbrance, other than Permitted Liens (as defined below);

(b) canceled or compromised any material claims, or waived any other material rights relating to the Business, or sold, transferred or otherwise disposed of any properties or assets, real, personal or mixed, tangible or intangible, material to the Business, other than in the ordinary course of business;

(c) transferred any Intellectual Property or any rights therein to any person, corporation or other entity;

(d) granted increases in the compensation or other benefits of any employee other than in the ordinary course of business;

(e) increased or decreased the level of Inventories other than in the ordinary course of business;

(f) made any material change in the customary methods used in operating the Business;

(g) amended any Assumed Contract, Employee Agreement or Assumed Lease;

(h) suffered any termination of any Permit;

(i) suffered any damage, destruction or loss in the aggregate in excess of \$5,000, whether or not covered by insurance, of any of the Assets;

(j) received notice of or had knowledge of any actual or threatened labor strike, work stoppage or work slowdown;

(k) received any claim from or become involved in any dispute with any customer of the Business individually or in the aggregate in excess of \$5,000; or

(l) suffered any change in or event relating to the financial condition, relations with agents or employees, assets, liabilities or operations of the Business, except such changes that individually

or in the aggregate have not had and are not reasonably likely to have a material adverse effect on the operations, financial condition of the Business (a "Material Adverse Effect").

SECTION 2.6 Certain Contracts and Commitments.

(a) Except as set forth in Schedule 2.6, the enforceability of the Assumed Contracts, the Employee Agreements and the Assumed Leases will not be affected in any material respect by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby. Except for the Section 1.7(a) Contracts, the Assumed Contracts, the Employee Agreements and the Assumed Leases are all fully assignable to Purchaser without any consent or waiver from any party, other than Purchaser and Seller.

(b) Except as set forth in Schedule 2.6, all of the Assumed Contracts, the Employee Agreements and the Assumed Leases are in full force and effect as of the date hereof, enforceable against Seller in accordance with their respective terms. Except as set forth in Schedule 2.6, the Seller is not in default, and to the Seller's knowledge, no other party is in default, nor does there exist any event that, with notice or lapse of time or both, would constitute an event of default by the Seller, or to its knowledge, any other party thereto, under any Assumed Contract, Employee Agreement or Assumed Lease.

(c) To the extent that any of the Assumed Contracts are not written agreements, such Assumed Contracts have been entered into either under Seller's standard terms and conditions (as shown on the reverse side of Seller's invoices), the terms and conditions of customer purchase orders and/or the provisions of applicable law (including the Uniform Commercial Code). All non-standard terms in Assumed Contracts that are not in written agreements are contained in Seller's customer files; for U.S. customers under such Assumed Contracts, there are no special payment terms beyond net 30 days; for sales to Seller's Affiliates in Southeast Asia under such Assumed Contracts, there are no special payment terms beyond net 120 days; and for Canadian customers under such Assumed Contracts, there are two "ship to" locations with 45 day terms, four with 50 day terms, three with 1/10 net 30 day terms and four with 2/10 net 30 day terms and 18 with COD terms.

SECTION 2.7 Employee Benefit Plans. Schedule 2.7 lists all employee benefit plans, and all bonus, incentive, deferred compensation, supplemental retirement, severance and other similar fringe or employee benefit plans, programs or arrangements, and any employment or compensation agreements, written or otherwise maintained or contributed to by the Seller for the benefit of, relating to, or with any Transferred Employee (as defined in Section 4.6) (collectively, the "Employee Plans").

SECTION 2.8 Litigation and Liability. Except as set forth in Schedule 2.8, there are no claims, actions, suits, proceedings or investigations pending or, to the Seller's knowledge, threatened, or any order, decree or judgment in progress in effect, against the Seller with respect to the Business, the Products or the Assets, at law or in equity or before or by any federal, state, municipal, foreign or other governmental department, commission, board, agency, instrumentality or authority which

is reasonably likely to have a Material Adverse Effect or which may have a material effect on the transactions contemplated hereby.

Except as specified in the HSE Data, to Seller's knowledge, there are no studies or correspondence in Seller's possession indicating the presence of any occupational illness in the work force of the Business, indicating that the Products cause any illnesses, or indicating any other fact showing that the manufacture, distribution or use of the Product may cause any health, safety or product liability.

SECTION 2.9 Assets. Except as set forth in Schedule 2.9, the Seller is the owner of the Assets, free and clear of any mortgages, pledges, liens, security interests, conditional and installment sale agreements, easements or other encumbrances, charges, rights or other claims of third parties of any kind (collectively, "Liens"), other than (a) Liens securing or relating to liabilities or obligations which are to be (i) assumed by the Purchaser pursuant to this Agreement or (ii) satisfied or discharged by the Seller on or prior to the Closing, (b) Liens for current taxes and assessments not yet due, (c) Liens created by the Purchaser, (d) statutory or landlord's Liens with respect to obligations not yet due; (e) Liens and imperfections of title which are not, singly or in the aggregate, material; and (f) other Liens listed on Schedule 2.9 (the Liens referred to in clauses (a) through (f) collectively being referred to as "Permitted Liens").

SECTION 2.10 Intellectual Property. Schedule 1.1(a)(i) sets forth a true and complete list of all material technology licenses (other than software licenses executed in the ordinary course of business (e.g., word processing programs, spreadsheet programs, etc.)), patents, trademarks and servicemarks, trade names and copyrights including applications and registrations for all such items, and licenses with respect thereto, included in the Intellectual Property being transferred to Purchaser pursuant to this Agreement. Seller owns or possesses the royalty free licenses or other rights to use all patents, copyrights, trademarks, trade secrets and other proprietary rights necessary to conduct the Business as it is presently operated. Seller does not have knowledge that it is infringing upon or otherwise acting adversely to any patents, patent rights, copyrights, trademarks, trade secrets, licenses with respect to the foregoing, or other proprietary rights of others in its conduct of the Business. Except as described in Schedule 2.10, Seller does not have knowledge of any infringement by any third parties of any intellectual property rights owned by Seller relating to the Business.

SECTION 2.11 Compliance with Laws. Except as set forth on Schedule 2.11, the Seller is conducting the Business in compliance in all material respects with all laws, rules, regulations, notices, standards, conditions, approvals and orders applicable to the Business and the Seller has not received any notice with respect to the Business that it is in breach of any such laws, rules, regulations, notices, standards, conditions, approvals or orders.

SECTION 2.12 Licenses and Permits. Schedule 2.12 is a true and complete list and description of all material permits, licenses, approvals, certifications, endorsements or qualification of any governmental body ("Permits") held by the Seller with respect to the Business. Except as set

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officers of Seller and Purchaser as of the date first above written.

RHODIA INC.

By: Jack M Urick

Name: JACK M URICK

Title: AUTHORIZED SIGNATORY

ABCO INDUSTRIES, INCORPORATED

By: _____

Name: _____

Title: _____

EASTMAN CHEMICAL CANADA, INC.

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officers of Seller and Purchaser as of the date first above written.

RHODIA INC.

By: _____

Name: _____

Title: _____

ABCO INDUSTRIES, INCORPORATED

By: Edward E. Page

Name: EDWARD E. PAGE

Title: PRESIDENT

EASTMAN CHEMICAL CANADA, INC.

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officers of Seller and Purchaser as of the date first above written.

RHODIA INC.

By: _____

Name: _____

Title: _____

ABCO INDUSTRIES, INCORPORATED

By: _____

Name: _____

Title: _____

EASTMAN CHEMICAL CANADA, INC.

By: Larry A. Munsey LAM

Name: Larry A. Munsey

Title: Treasurer

Schedule 1.1(a)(i) - Intellectual Property

• **Issued Patents To Be Transferred**

| <u>Title</u> | <u>Country</u> | <u>Patent No.</u> |
|--|-----------------------|--------------------------|
| Cationic Soil Release Polymers | U.S.A. | 4,804,483 |
| Cationic Soil Release Polymers | U.S.A. | 4,873,003 |
| Immobilized Gel System for Dyeing of Textiles | Canada | 1,153,159 |
| Multicolor Coating System | Canada | 1,167,580 |
| Multicolor Coating System | U.S.A. | 4,264,322 |
| Immiscible Segmented Distributor for Random Dyeing of Textiles | U.S.A. | 4,454,617 |
| Textile Sizes Containing Ultrafine-Sized Aqueous Polymeric Dispersions | U.S.A. | 5,484,840 |
| Novel Additive for Textile and Adhesive Applications | U.S.A. | 5,851,625 |

• **Pending Patent Applications To Be Transferred**

| <u>Title</u> | <u>Country</u> | <u>Application or Publication No.</u> |
|--|-----------------------|--|
| Textile Sizes Containing Ultrafine-Sized Aqueous Polymeric Dispersions | Canada | 2,136,383 |
| Novel Additive for Textile and Adhesive Applications | Canada | 2,210,881 |
| Papermaking Felts and Fibers Having Improved Antiredeposition Properties | U.S.A. | 09/019,757 |
| Papermaking Felts and Fibers Having Improved Antiredeposition Properties | Canada | 2,228,774 |

• **U.S. Trademarks To Be Transferred**

| <u>Mark</u> | <u>U.S. Registration or Application No.</u> | <u>Status</u> |
|--------------------|--|----------------------|
| Aston | 1,529,165 | Registered |

| | | |
|------------------------|-----------|------------|
| Hydrolac | 1,244,934 | Registered |
| Karalube | N/A | Common Law |
| Kleerox | 75-455107 | Pending |
| Lubril | 1,932,479 | Registered |
| Norpol | 75-454036 | Pending |
| North Acetate Size | N/A | Common Law |
| | | |
| | | |
| Nyloid | N/A | Common Law |
| | | |
| Permaloid | 75-453571 | Pending |
| Progasol | 1,460,464 | Registered |
| Quabond | 614,661 | Registered |
| Resiloid | N/A | Common Law |
| Supraleve | 1,753,482 | Registered |
| Velvetol | 411,605 | Registered |
| Vicol | 75-454034 | Pending |
| Aquatex**** | N/A | Common Law |
| Creamoyl - Canada only | N/A | Common Law |
| Duraseal | N/A | Common Law |
| Dye Aid | N/A | Common Law |
| Hysoft | N/A | Common Law |
| Karawet | N/A | Common Law |
| Lubritol | N/A | Common Law |
| Progalube | N/A | Common Law |
| Scourite | N/A | Common Law |
| Triscomine | N/A | Common Law |
| Web Finish | N/A | Common Law |
| DY200 | N/A | Common Law |

*** No Canadian or Mexican Trademark Applications or Registrations exist, with the exception of Lubril for which there is a Canadian registration.

****Rhodia reserves the right to use and continue to use the name "Aquatek" for non-textile chemical products

UNITED STATES
TRADEMARK ASSIGNMENT

This Trademark Assignment, dated _____, 1999 (this "Trademark Assignment"), is executed and delivered by Rhodia, Inc., a Delaware corporation, having its principal place of business at 259 Prospect Plains Road, Cranbury, New Jersey 08512 (hereinafter "Assignor") to Eastman Chemical Company, a Delaware corporation, having its principal place of business at 100 North Eastman Road, Kingsport, Tennessee 37660-5075 (hereinafter "Assignee") pursuant to that certain Asset Purchase Agreement, dated January 25, 1999, by and among Assignor, ABCO Industries, Inc., a South Carolina corporation, and Eastman Chemical Canada, Inc., a Canadian corporation (the "Asset Purchase Agreement"), shall be deemed to be effective as of the date hereof.

WHEREAS, Assignor has adopted and is using the trademarks described in Schedule A and for which said Assignor has registered or has filed applications for registration in connection with said trademarks in the United States Patent and Trademark Office or has used said trademarks under common law usage as reflected in the schedule; and

WHEREAS, Assignee is desirous of acquiring said trademarks and applications and registrations thereof;

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, said Assignor does hereby assign unto said Assignee all of its right, title, and interest in the trademarks and the applications and registrations thereof listed on Schedule A hereto, together with the good will of the business symbolized by the trademarks.

Assignor agrees that upon request it will, in a timely manner without charge to Assignee, execute or arrange for execution of such further assignment documents as may be required, if any, from Assignor to permit Assignee to obtain recording of its assignment to Assignee of said listed trademark registrations.

IN WITNESS WHEREOF, the undersigned does hereby execute this Trademark Assignment as of the date first written above.

RHODIA, INC.

By: _____
Name:
Title:

SCHEDULE A

Registered Marks

| Mark | Registration No. | Registration Date |
|---------------------|-------------------------|--------------------------|
| ASTON | 1,529,165 | 03/14/89 |
| HYDROLAC | 1,244,934 | 07/12/83 |
| LUBRIL | 1,932,479 | 11/07/95 |
| PROGASOL | 1,460,464 | 10/13/87 |
| QUABOND (Stylized) | 614,661 | 10/25/55 |
| SUPRALEV | 1,753,482 | 02/23/93 |
| VELVETOL (Stylized) | 411,605 | 01/23/45 |

Pending Applications

| Mark | Application No. | Filing Date |
|-------------|------------------------|--------------------|
| KLEEROX | 75-455107 | 03/23/98 |
| NORPOL | 75-454036 | 03/20/98 |
| PERMALOID | 75-453571 | 03/20/98 |
| VICOL | 75-454034 | 03/20/98 |

Common Law Marks

KARALUBE
NORTH ACETATE SIZE
NYLOID
RESILOID
AQUATEX
DURASEAL
DYE AID
HYSOFT

KARAWET
LUBRITOL
PROGALUBE
SCOURITE
TRISCOMINE
WEB FINISH
DY200