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

<p>1. Name of conveying party:</p> <p>International Filler Corporation 65 Bridge Street North Tonawanda, New York 14120</p> <p><input checked="" type="checkbox"/> Corporation of New York</p>	<p>2. Name and address of receiving party:</p> <p>International Filler Corporation 65 Bridge Street North Tonawanda, New York 14120</p> <p><input checked="" type="checkbox"/> Corporation of Delaware</p>
<p>3. Nature of conveyance: Asset Purchase Agreement</p> <p>Execution Date: January 21, 2000</p>	<p>4. Trademark Registration Nos.: 424,905, 1,545,931, 1,779,419</p>
<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p>Kristen E. Mollnow, Esq. Nixon Peabody LLP Clinton Square, P.O. Box 1051 Rochester, New York 14603</p>	<p>6. Total number of Registrations involved: 3</p>
<p>7. Total fee (37 CFR 3.41) \$90</p> <p><input checked="" type="checkbox"/> \$90 Check is enclosed.</p>	<p>8. Deposit Account Number: 14-1138</p> <p><input checked="" type="checkbox"/> Charge any additional fees to account.</p>
DO NOT USE THIS SPACE	

To the best of my knowledge and belief, the foregoing information is true and correct and the attached copy is a true and correct copy of an excerpt from the original document.

Kristen E. Mollnow  
Kristen E. Mollnow, Esq.

6-5-00  
Date

[Total number of pages including Cover Sheet and Asset Purchase Agreement: 12 ]

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FC:461  
FC:462

40.00 DP  
50.00 DP

None.

**Registered Trademarks:**

TRADEMARK	COUNTRY	SERIAL NO. OR REGISTRATION NO.
Cellufloc (stylized)	U.S.	424,905
Cellufloc	Canada	UCA 026780
Just Fiber	U.S.	1,545,931
Justfiber	Benelux	544,329
Just Fiber	France	94504679
Justfiber	Germany	WZ2097986
Justfiber	Italy	692040
Justfiber and Design	Switzerland	425631

Justfiber	Japan	4140629
Nutrafiber	U.S.	1,779,419

**Pending Applications for Trademark Registration:**

None.

**Unregistered Trademark:**

TRADEMARK	COUNTRY
ALPHA-CEL	U.S.

**ASSET PURCHASE AGREEMENT**

**BY AND BETWEEN**

**INTERNATIONAL FILLER CORPORATION**  
**(a New York Corporation)**

**AND**

**INTERNATIONAL FILLER CORPORATION**  
**(a Delaware Corporation)**

**Dated as of January 21, 2000**

## ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of this 21<sup>st</sup> day of January 2000, by and between INTERNATIONAL FILLER CORPORATION, a New York corporation ("Seller"), and INTERNATIONAL FILLER CORPORATION, a Delaware corporation ("Buyer"), and, for purposes of Article VIII and Section 6.23 only, RICHARD W. BOWEN II, the sole shareholder of Seller (the "Sole Shareholder"), and for purposes of Article VIII only, SAFEGUARD INTERNATIONAL FUND, L.P., a Delaware limited partnership ("SIF") that is the sole owner of International Filler LLC, a Delaware limited liability company ("IFLLC") that is the sole shareholder of Buyer.

### RECITALS

WHEREAS, Seller is engaged in the business of processing wood pulp, cotton linter pulp and textile and sisal fiber into precisely formulated, application-specific powders and fibers; bulking, binding, thickening, moisture absorbing and filtration agents; agents to impart strength, flexibility and uniformity; and other cellulose and fiber filler products, including certain trademark branded products, which are used in both food and other consumer products as well as industrial applications and are sold to manufacturers for use in, among other things, human and pet foods, pharmaceuticals, filtration systems, carpet cleaners, paints and dyes, drilling mud, synthetic leather, brake and clutch pads, automotive hoses and gaskets, latex gloves, molded plastics, welding electrodes and artificial snow (the "Business"); and

WHEREAS, SIF is a private equity fund that invests in the acquisition of companies in process industries, including metals, chemicals and recycling; and

WHEREAS, Buyer and IFLLC have been formed for the purpose of Buyer acquiring the Business engaged in by Seller; and

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Business and all of the Assets owned by Seller except those assets specifically excluded, subject to the assumption by Buyer of the Assumed Liabilities, all pursuant to and under the terms and subject to the conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

"Sole Shareholder" shall have the meaning set forth in the paragraph preceding the Recitals above.

"Standard Exception" means (i) such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally, and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

"Stock Purchase Agreement" shall have the meaning set forth in clause (xvi) of Schedule 2.1.

"Subsidiary Shares" means all of the issued and outstanding shares of capital stock of the Seller's Subsidiary. Since the sale and purchase of the Subsidiary Shares is to be effected by means of the Stock Purchase Agreement, references in this Agreement to the Purchased Assets or any of them, whether in representations, warranties, covenants or otherwise, shall be deemed to include the Subsidiary Shares only if specifically mentioned.

"Subsidiary Shares Price" means the United States dollar purchase price of the Subsidiary Shares under the Stock Purchase Agreement.

"Taxes" or "Tax" shall have the meaning set forth in Section 4.7.

"Third Party Action" shall have the meaning set forth in Section 8.2(c).

"Transferred Employees" shall have the meaning set forth in Section 6.17(a).

"Unliquidated Claim" shall have the meaning set forth in Section 8.3(a).

"Year 2000 Compliant" or "Year 2000 Compliance" shall have the meaning set forth in Section 4.27.

1.2 Accounting Terms. Unless specifically defined herein, accounting terms shall have the meaning specified by GAAP.

## ARTICLE II

### PURCHASE AND SALE OF ASSETS AND ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of Assets. Upon the terms and subject to the conditions of this Agreement, on the Closing Date, Seller shall sell, transfer, convey, assign and deliver to Buyer, and Buyer shall purchase, acquire and accept from Seller, all of Seller's right, title and interest in and to all of the Assets, whether or not carried or reflected on the books and records of Seller on the Closing Date (collectively, the "Purchased Assets"), including those assets set forth

on Schedule 2.1. The Assets shall be conveyed free and clear of all Liabilities and Liens, except the Assumed Liabilities.

**2.2 Excluded Assets.** Notwithstanding anything to the contrary set forth in Section 2.1, the Assets listed (if any) on Schedule 2.2 (the "Excluded Assets") shall not be included in the Purchased Assets and, therefore, not sold by Seller to Buyer.

**2.3 Assumption of Liabilities by Buyer; Excluded Liabilities.** On the Closing Date, Buyer shall assume and agree to pay, perform and discharge all Liabilities of Seller (the "Assumed Liabilities"); provided, however, that notwithstanding anything to the contrary set forth in this Section 2.3 or elsewhere herein, Buyer shall not, by virtue of its purchase of the Purchased Assets or otherwise in connection with the transactions contemplated hereby, assume or become responsible for any Liabilities (collectively, the "Excluded Liabilities") of Seller (a) identified as Excluded Liabilities on Schedule 2.3 or (b) for the violation of any Law (other than Environmental, Health and Safety Requirements) actually known to, or which reasonably should have been actually known to, Seller.

**2.4 Purchase Price; Purchase Price Allocation.** (a) Upon the terms and subject to the conditions contained herein, on the Closing Date, as consideration for the purchase of the Assets, Buyer shall pay to Seller the Seller's Equity Value (the "Purchase Price"), payable as follows: (i) \$5,000,000 by executing and delivering to Seller the Seller's Notes and (ii) the remainder (Seller's Equity Value minus \$5,000,000) by wire transfer of immediately available funds to such account as Seller shall designate in writing to Buyer no less than two Business Days prior to the Closing Date, in lawful money of the United States. In addition, as further consideration for the purchase of the Assets, at the same time Buyer shall assume, and shall be deemed to have assumed, the Assumed Liabilities.

(b) The Purchase Price shall be allocated in accordance with Schedule 2.4(b), to be prepared (and attached hereto prior to or at the Closing) by Buyer and Seller on a reasonable basis in accordance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder (the "Purchase Price Allocation"). Buyer and Seller shall prepare their respective federal, state, local and foreign Tax returns in a manner consistent with such Purchase Price Allocation.

**2.5 Instruments of Conveyance and Transfer.** At the Closing, Seller shall deliver to Buyer: (i) the instruments of transfer listed in Article VII and such other good and sufficient instruments of conveyance and transfer, in form reasonably satisfactory to Buyer consistent with the provisions of this Agreement, as shall be effective to vest in Buyer all of Seller's right, title and interest in and to the Purchased Assets, (ii) all of the Contracts, books, records and other data relating to the Purchased Assets, (iii) the actual possession and control of the Purchased Assets, and (iv) all other items listed in Article VII as conditions precedent to the Closing, and all other items specified in this Agreement to be delivered prior to or at the Closing, to the extent not previously delivered.

**2.6 Assignment of Contracts.** Anything in this Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any Contracts, or any benefit arising thereunder or resulting therefrom, if an attempted assignment thereof, without the consent of a third Person thereto, would constitute a material breach thereof or in any way materially affect the rights of Buyer or Seller thereunder. If such consent is not obtained, or if an attempted assignment thereof would be ineffective or would materially affect the rights of Buyer or Seller, Seller shall cooperate with Buyer in any commercially reasonable arrangement designed to provide for Buyer enjoyment of the benefits under any such Contracts, including enforcement for the benefit of Buyer of all rights of Seller under such Contracts; provided that Buyer shall undertake to pay or satisfy the corresponding Liabilities under the terms of such Contracts to the extent that Buyer would have been responsible therefor if such consent or approval had been obtained. Seller shall indemnify and hold harmless Buyer and its Affiliates under Sections 8.2 through 8.7 from and against any and all out-of-pocket costs of seeking to enforce any arrangement under this Section 2.6, where the need for such enforcement is attributable to the fault of Seller. Nothing contained in this Section 2.6 shall be deemed a waiver by Buyer of its rights under Sections 2.5, 4.11 or 7.1 or any other provision of this Agreement except to the extent of an agreed arrangement pursuant to this Section 2.6.

**2.7 Further Assurances.** From time to time after the Closing, Seller shall execute and deliver such other instruments of transfer and documents related thereto and take such other action as Buyer may reasonably request, to the extent consistent with the provisions of this Agreement, in order to more effectively transfer to Buyer, and to place Buyer in possession and control of, the Purchased Assets, or to enable Buyer to exercise and enjoy all rights and benefits of Seller with respect thereto. Buyer shall likewise take such actions as Seller may reasonably request in order to more effectively assure Buyer's assumption of the Assumed Liabilities.

**2.8 Future Discovery of Assets.** If, at any time following the Closing Date, Seller locates or discovers any Assets that were not transferred to Buyer on the Closing Date, Seller agrees to promptly notify Buyer of such location or discovery and to take all such action necessary to deliver actual possession and control of such Purchased Assets as provided in Section 2.7. This obligation shall expire three years after the Closing Date.

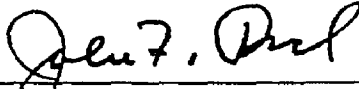
## ARTICLE III


### CLOSING

**3.1 Closing.** The closing of the transactions contemplated hereby (the "Closing") shall be held at the offices of Piper Marbury Rudnick & Wolfe LLP, 1251 Avenue of the Americas, New York, New York 10020-1104, at 10:00 a.m. New York City time, on the later of January 28, 2000 (the "Closing Date") or such other date within three business days after the satisfaction of (or waiver by the party entitled to the benefit of) the conditions set forth in Articles VI and VII, or at such other place and time as may be agreed upon by the parties. At the Closing, in addition to the sale and transfer of the Purchased Assets, there shall be delivered by

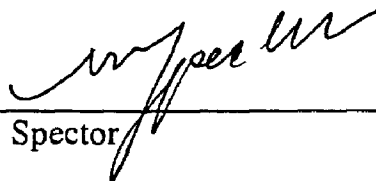
IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on its behalf by its officers thereunto duly authorized, all as of the day and year first above written.

INTERNATIONAL FILLER CORPORATION  
("Seller")

By:   
John Rond  
President

  
RICHARD W. BOWEN II (the "Sole Shareholder")  
(Signing solely as joint and several Indemnitor  
under Article VIII and for purposes of Section 6.23)

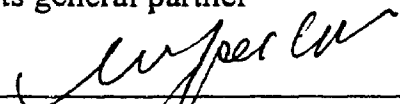
INTERNATIONAL FILLER CORPORATION  
("Buyer")

By:   
Arthur R. Spector  
President

SAFEGUARD INTERNATIONAL FUND, L.P.  
("SIF") (Signing solely as joint and several  
Indemnitor under Article VIII)

By: SIF Management L.P.,  
its general partner

By: Safeguard International Partners, L.L.C.,  
its general partner

  
Arthur R. Spector  
Managing Director



## SCHEDULE 2.1

### PURCHASED ASSETS

(i) all Intellectual Property of Seller, all proprietary rights in and to products owned or licensed by Seller and all related Know-how;

(ii) all real property of Seller, including that described in Schedule 2.1(ii), together with all buildings, fixtures and improvements of Seller (including construction in progress) located thereon, together with all easements, licenses, options and interests and all of the other rights arising out of the ownership thereof or appurtenant thereto (the "Real Property");

(iii) (a) all leases and subleases of the real property of Seller, including that described in Schedule 2.1(iii), as to which Seller is lessor or sublessor and (b) all leases and subleases of real property described in Schedule 2.1(iii) as to which Seller is lessee or sublessee (the real property to which such leases and subleases described in clauses (a) and (b) pertain, the "Leased Real Property"), together with any options to purchase the underlying property and leasehold improvements thereon as set forth in Schedule 2.1(iii), and in each case all other rights, subleases, licenses, permits, deposits and profits appurtenant to or related to such leases and subleases (the leases and subleases described in clauses (a) and (b), the "Real Property Leases");

(iv) All tangible personal property of Seller, including vehicles, trucks, trailers and forklifts (tow motors) of Seller as set forth in Schedule 2.1(iv), and all machinery, spare parts, equipment, furniture and fixtures of Seller located in, on or about the Real Property and the Leased Real Property or, if located elsewhere, used or held for use by Seller in the conduct of the Business (the "Equipment");

(v) except as otherwise noted on Schedule 2.1(v), all inventory of Seller, including all raw materials, work in process, samples, finished goods, goods in transit, shipping and packing materials and supplies (to the extent of Seller's rights therein) located on the Real Property or the Leased Real Property or, if located elsewhere, used or held for use by Seller in the conduct of the Business (the "Inventory");

(vi) (a) all leases and subleases of the tangible personal property described in Schedule 2.1(vi) as to which Seller is the lessor or sublessor, and (b) all leases and subleases of tangible personal property described in Schedule 2.1(vi) as to which Seller is the lessee or sublessee (the personal property to which such leases and subleases described in clauses (a) and (b) pertain, the "Leased Personal Property"), together with any options to purchase or sell the underlying property as set forth in Schedule 2.1(vi) (the leases and subleases described in clauses (a) and (b), the "Personal Property Leases");

(vii) in addition to the Real Property Leases and Personal Property Leases, all rights and interests of Seller in, to and under all Contracts as set forth in Schedule 2.1(vii);

(viii) all billed and unbilled trade accounts receivable (excluding any in respect of past or current weekly distributions as described in Section 6.1(u)) and all notes, bonds and other evidences of indebtedness or any rights to receive payments, bid or performance deposits and employee advances, and the security agreements, if any, relating thereto, including any rights of Seller with respect to any third party collection proceedings or any other actions or proceedings that have been commenced in connection therewith as set forth in Schedule 2.1(viii) (the "Accounts Receivable");

(ix) all claims, deposits, prepayments, refunds, causes of action, chooses in action, rights of recovery, rights of set-off and rights of recoupment (including any such item relating to the payment of Taxes);

(x) to the extent assignable or otherwise transferable, all permits, licenses, franchises, orders, registrations, certificates, variances and similar authorizations and rights obtained from governments and governmental agencies for the conduct of the Business, as set forth in Schedule 2.1(x) (the "Permits");

(xi) all books, business and accounting records, ledgers, files, documents, correspondence, customer lists, architectural plans/drawings/specifications, creative materials, advertising and promotional materials, studies, reports, files and documents (including computer tapes or disks) and other printed or written materials of Seller relating to the Business or the Assets (the "Records");

(xii) all cash on hand or in banks and all cash balances of Seller in other accounts or funds ("Cash"), all marketable and non-marketable securities and other investment and debt instruments (the foregoing, excluding the Subsidiary Shares, "Cash Equivalents"), and all other rights in any funds of any nature (including, without limitation, funds relating to workers' compensation, unemployment compensation and other employee benefits);

(xiii) all assignable data processing programs used in the conduct of the Business, including accounting, invoicing, auditing, pension and data processing programs, as set forth in Schedule 2.1(xiii) (the "Computer Programs");

(xiv) all rights of Seller under and pursuant to all warranties, representations, guarantees and indemnities made by suppliers, manufacturers and contractors in connection with products sold to, or services provided to, Seller in connection with the Business or affecting any of the Assets;

(xv) all goodwill relating to the Business and the Assets, including Seller's corporate name and all variations thereof;

(xvi) all of the Subsidiary Shares, represented by stock certificates, pursuant to a separate stock purchase agreement to be executed by Seller and Buyer simultaneously herewith (the "Stock Purchase Agreement");

(xvii) all rights of Seller in respect of the name "International Filler"; and

(xviii) any other asset of Seller in respect of which there is a corresponding Assumed Liability.

SCHEDULE 4.13(c)

PATENTS AND REGISTRATIONS

**Patent Registrations:**

None.

**Pending Patent Applications:**

None.

**Intellectual Property Licenses, Agreements or Other Permissions Granted by Seller to Third Parties:**

Seller permits Seller's Subsidiary to use its Intellectual Property.

**Registered Copyrights:**

None.

**Pending Applications for Copyright Registration:**

None.

**Registered Trademarks:**

TRADEMARK	COUNTRY	SERIAL NO. OR REGISTRATION NO.
Cellufloc (stylized)	U.S.	424,905
Cellufloc	Canada	UCA 026780
Just Fiber	U.S.	1,545,931
Justfiber	Benelux	544,329
Just Fiber	France	94504679
Justfiber	Germany	WZ2097986
Justfiber	Italy	692040
Justfiber and Design	Switzerland	425631

Justfiber	Japan	4140629
Nutrafiber	U.S.	1,779,419

**Pending Applications for Trademark Registration:**

None.

**Unregistered Trademark:**

TRADEMARK	COUNTRY
ALPHA-CEL	U.S.

Registration of ALPHA-CEL was refused by the U.S. Patent and Trademark Office in 1982 due to the registration of ALBACEL now owned by International Paper Company.

**Trade Names:**

International Filler of West Virginia

**Indemnification Agreements:**

None.

**Registered Domain Names:**

Cellulosefiber.com  
 Naturalfillers.com  
 Organicfiber.com  
 Organicfillers.com  
 Foodfillers.com  
 Pharmaceuticalfillers.com  
 Chemicalfillers.com