

09-27-2000

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9-13-00

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

<p>1. Name of conveying party:                  Qualepts Nutrients, Inc.                  4940 Viking Drive                  Minneapolis, Minnesota 55435                  [X] Corporation of Minnesota</p>	<p>2. Name and address of receiving party:                  International Fiber Corporation.                  65 Bridge Street                  North Tonawanda, New York 14120                  [X] Corporation of Delaware</p>
<p>3. Nature of conveyance: Asset Purchase Agreement                  Execution Date: August 25, 2000</p>	<p>4. Trademark Registration Nos.: 1,923,150; 1,820,358; 1,710,996; 1,539,898; 1,456,699</p>
<p>5. Name and address of party to whom correspondence concerning document should be mailed:                  Kristen E. Mollnow, Esq.                  Nixon Peabody LLP                  Clinton Square                  Post Office Box 1051                  Rochester, New York 14603</p>	<p>6. Total number of Registrations involved: 5</p>
<p>7. Total fee (37 CFR 3.41) \$140                  [X] \$140 Check is enclosed.</p>	<p>8. Deposit Account Number: 14-1138                  [X] Charge any additional fees to account.</p>
<p style="text-align: center;">DO NOT USE THIS SPACE</p>	

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 the original document.

Kristen E. Mollnow  
 Kristen E. Mollnow

September 12, 2000  
 Date

[Total number of pages including Cover Sheet and excerpts from Asset Purchase Agreement: 11]

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## ASSET PURCHASE AGREEMENT

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

### Background

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

### Witnesseth

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

#### 1. Definitions

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

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

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

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

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

"US" means the United States of America.

2. Sale and Purchase:

2.1 Purchased Assets.

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

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

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

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

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

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

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

2.2 Assumed Liabilities.

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

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

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

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

**4.17 Intellectual Property.**

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

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

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

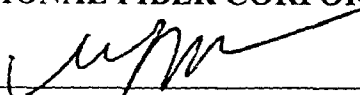
(d) Except as set forth in the Disclosure Schedule, no present or former employee of, or consultant to, the Company or any predecessor in interest of either Company, including any former employer of a present or former employee or consultant of either Company or any predecessor in interest of either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

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

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

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

**INTERNATIONAL FIBER CORPORATION**

By:   
Name: Arthur R. Spector  
Title:

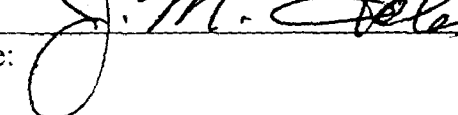
**DUPONT PROTEIN TECHNOLOGIES  
INTERNATIONAL, INC., as DPTI**

kelh

By:   
Name:  
Title:

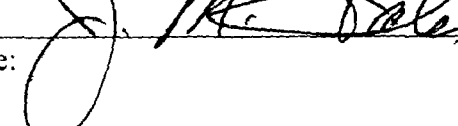
**FIBER SALES & DEVELOPMENT CORPORATION**

kelh

By:   
Name:  
Title:

**QUALCEPTS NUTRIENTS, INC.**

kelh

By:   
Name:  
Title:

SCHEDULE 4.17  
Intellectual Property

(a):

1 Registered domain names:  
SOLKAFLOC.COM  
QUALCEPTS.COM

2. Trademark list attached

3. Patent list see SCHEDULE 1

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

(a)(i) see attached Schedule 1

(a)(ii) Trademark list attached

(a)(iii) none

(a)(iv) none

**SCHEDULE A**

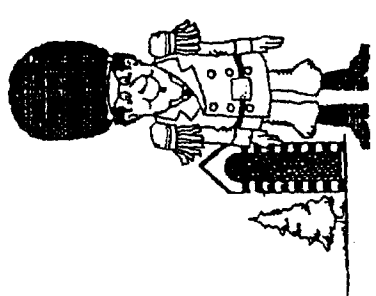
**TRADEMARKS**

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



Schedule A, Continued

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

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

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

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

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

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

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

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**ASSET PURCHASE AGREEMENT**

**BY AND AMONG**

**INTERNATIONAL FIBER CORPORATION,  
(a Delaware corporation),**

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

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

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

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