

RE
R

06-07-2002



Tab settings ⇌ ⇌ ⇌ ▼

102114605

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

1. Name of conveying party(ies):

REICHHOLD, INC. 6.5'02

- Individual(s)
- General Partnership
- Corporation-State
- Other
- Association
- Limited Partnership

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

3. Nature of conveyance:

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

Execution Date: _____

2. Name and address of receiving party(ies)

Name: DOW REICHHOLD SPECIALTY
Internal LATEX, LLC
Address: _____

Street Address: 2400 ELLIS ROAD

City: DURHAM State: NC Zip: 27703-5543

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other

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

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

Additional number(s) attached Yes No

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

Name: JOAN GRACE

Internal Address: _____

c/o REICHHOLD, INC.
2400 ELLIS ROAD

Street Address: _____

City: DURHAM State: NC Zip: 27703-5543

6. Total number of applications and registrations involved: _____

12

7. Total fee (37 CFR 3.41).....\$ 315.00

- Enclosed PREVIOUSLY
- Authorized to be charged to deposit account

8. Deposit account number: _____

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

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

JOAN GRACE
Name of Person Signing

Joan Grace
Signature

5-23-02
Date

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

30

ADDITION TO ITEM 4

TRADEMARK RECORDATION FORM COVER SHEET

ASSIGNMENT OF TRADEMARKS
FROM REICHHOLD, INC. TO
DOW REICHHOLD SPECIALTY LATEX, LLC

<u>NAME OF TRADEMARK</u>	<u>REGISTRATION NUMBER</u>
POLYFREE	2,074,481
SUPERFAST	2,424,038
TYCHEM	789,854
TYCHEM	840,707
TYCRYL	2,051,095
TYKOTE	1,996,029
TYLAC	740,781
TYLAC	654,589
TYLAC	1,453,763
VYLOX	2,205,594
BARRIER-PRO	S/N 75/858124
NO-ION	S/N 76/228128

MRO
2/19/02

Form PTO-1594
(Rev. 03/01)
OMB N o. 0 651-0027 (exp. 5 /31/2002)

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

Tab settings ⇌ ⇌ ⇌

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

1. Name of conveying party(ies):

REICHHOLD, INC.

- Individual(s)
- General Partnership
- Corporation-State
- Other _____
- Association
- Limited Partnership

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

3. Nature of conveyance:

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

Execution Date: _____

2. Name and address of receiving party(ies)

Name: DOW REICHHOLD SPECIALTY LATEX, LLC

Internal Address: _____

Street Address: 2400 ELLIS ROAD

City: DURHAM State: NC Zip: 27703-5543

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State _____
- Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be as separate document from assignment)
Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

FEB 19 2002

Additional number(s) attached Yes No

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

Name: JOAN GRACE

Internal Address: _____

c/o REICHHOLD, INC.

Street Address: 2400 ELLIS ROAD

City: DURHAM State: NC Zip: 27703-5543

6. Total number of applications and registrations involved: 12

7. Total fee (37 CFR 3.41).....\$ 315.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: _____

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

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

JOAN GRACE
Name of Person Signing

Joan Grace
Signature

1-24-02
Date

Total number of pages including cover sheet, attachments, and document: 2

Mail documents to be recorded with required coversheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

03/04/2002 TDI AZ1 00000116 2074481

01 FC:481
02 FC:482

40.00 DP
275.00 DP

TRADEMARK
REEL: 002519 FRAME: 0307

CONTRIBUTION AGREEMENT

by and between

REICHHOLD, INC.

and

DOW REICHHOLD SPECIALTY LATEX LLC

Dated as of December 31, 2001

TABLE OF CONTENTS

Page

ARTICLE I
CONSTRUCTION; DEFINITIONS

SECTION 1.01. Construction.1
SECTION 1.02. Definitions.2
SECTION 1.03. Accounting Terms.6

ARTICLE II
CONTRIBUTION OF ASSETS AND ASSUMPTION OF LIABILITIES

SECTION 2.01. Contribution of Assets.6
SECTION 2.02. Assumption of Liabilities.6
SECTION 2.03. Allocation.9

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF REICHHOLD

SECTION 3.01. Conduct of Business.9
SECTION 3.02. Certain Assets.9
SECTION 3.03. Reichhold Assigned Contracts.10
SECTION 3.04. Intellectual Property.11
SECTION 3.05. Taxes.11
SECTION 3.06. Compliance With Law.12
SECTION 3.07. Governmental Approvals and Licenses.12
SECTION 3.08. Financial Information; No Material Adverse Change.12
SECTION 3.09. Hazardous Materials.13
SECTION 3.10. Insurance.14
SECTION 3.11. Real Estate.14

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF DRSL

SECTION 4.01. Existence and Power.15
SECTION 4.02. Authorization.15
SECTION 4.03. No Violations, Etc.15
SECTION 4.04. Binding Effect.15
SECTION 4.05. Compliance with Applicable Law.16

ARTICLE V
TRANSFER OF ASSETS

SECTION 5.01. Nontransferability of Assets.16

SECTION 5.02. Cooperation.16
SECTION 5.03. Agency.16

ARTICLE VI
INDEMNIFICATION

SECTION 6.01. Indemnification by the Reichhold JV Member.17
SECTION 6.02. Indemnification by DRSL.17
SECTION 6.03. Control of Litigation.18
SECTION 6.04. Cooperation.18
SECTION 6.05. Reimbursement; Subrogation.18

ARTICLE VII
MISCELLANEOUS PROVISIONS

SECTION 7.01. Non-Survival of Representations, Warranties, Etc.19
SECTION 7.02. Amendments; Waivers.19
SECTION 7.03. Assignment.20
SECTION 7.04. Further Assurances.20
SECTION 7.05. Governing Law.20
SECTION 7.06. Consent to Jurisdiction.20
SECTION 7.07. Jury Waiver.21
SECTION 7.08. Counterparts; Headings.21
SECTION 7.09. Notices.21
SECTION 7.10. Entire Agreement.22
SECTION 7.11. Severability.22
SECTION 7.12. Specific Performance.22
SECTION 7.13. Waiver of Bulk Sales Laws.23
SECTION 7.14. Cooperation on Tax Matters.23

Schedule A - Reichhold Owned Real Property
Schedule B - Reichhold Tangible Personal Property
Schedule C - Reichhold Intellectual Property
Schedule D - Reichhold Credits, Prepaid Expenses, Deferred Charges, Etc.
Schedule E - {Intentionally Omitted}
Schedule F - Reichhold Communication Addresses
Schedule G - Reichhold Assigned Contracts
Schedule H - Reichhold Leased Property
Schedule I - Reichhold Required Approvals

- Schedule 3.02(d) - Leases
- Schedule 3.07(c) - License and Governmental Approval Applications
- Schedule 3.08 - Financial Information
- Schedule 3.10 - Insurance Policies

- Exhibit A - {Intentionally Omitted}
- Exhibit B - Reichhold Conveyance Instruments

CONTRIBUTION AGREEMENT

CONTRIBUTION AGREEMENT, dated as of December 31, 2001 (this "*Agreement*"), by and between **REICHHOLD, INC.**, a Delaware corporation ("*Reichhold*"), and **DOW REICHHOLD SPECIALTY LATEX LLC**, a Delaware limited liability company ("*DRSL*").

W I T N E S E T H :

WHEREAS, Reichhold is engaged, among other businesses (related and otherwise), in the Specialty Latex Business (as defined in Section 1.02 hereof);

WHEREAS, on June 1, 2001, Reichhold entered into a Joint Venture Agreement with The Dow Chemical Company, a Delaware corporation that is also engaged, among other businesses (related and otherwise), in the Specialty Latex Business ("*Dow*"), pursuant to which, among other things, they have caused to be formed DRSL, which on the date hereof is to be jointly-owned by Reichhold and an Affiliate (as defined in Section 1.02 hereof) of Dow (the "*JV Agreement*");

WHEREAS, on the date hereof, DRSL is to commence joint operation of the respective Specialty Latex Businesses currently conducted by Reichhold, Dow and their respective Affiliates as more fully described in the JV Agreement (the "*Joint Venture*"); and

WHEREAS, in order to commence the operation of the Joint Venture, each party hereto desires, in accordance with, and subject to, the terms of the JV Agreement and as hereinafter set forth, on the date hereof, (1) for Reichhold to assign, transfer, deliver and convey (and cause its appropriate Affiliates to assign, transfer, deliver and convey) to DRSL, and for DRSL to accept and take from Reichhold (and such Affiliates), all of the rights, title and interest of Reichhold (and such Affiliates) in, under, and with respect to, certain assets of Reichhold and its Affiliates utilized in connection with the Reichhold Specialty Latex Business (as defined in Section 1.02 hereof) and (2) for DRSL to assume from Reichhold (and such Affiliates) certain liabilities thereof relating to the Reichhold Specialty Latex Business.

NOW, THEREFORE, in consideration of the premises hereof, the mutual representations, warranties, covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each party hereto, intending to be legally bound, does hereby agree as of the date hereof as follows:

ARTICLE I CONSTRUCTION; DEFINITIONS

SECTION 1.01. Construction.

Unless the context of this Agreement otherwise clearly requires, (a) references to the plural include the singular, (b) references to the singular include the plural, (c) references to any gender include the other genders, (d) the term "including" is not limiting and has the inclusive meaning represented by the phrase "including without limitation", (e) the term "include" is not

limiting and has the inclusive meaning represented by the phrase “include without limitation”, (f) the term “includes” is not limiting and has the inclusive meaning represented by the phrase “includes without limitation”, (g) the term “or” has the inclusive meaning represented by the phrase “and/or”, (h) the terms “hereof”, “herein”, “hereunder”, “hereto” and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, (i) the terms “day” and “days” mean and refer to calendar day(s) and (j) the terms “year” and “years” mean and refer to calendar year(s). Unless otherwise set forth herein, references in this Agreement to (i) any document, instrument or agreement (including this Agreement) (A) includes and incorporates all exhibits, schedules and other attachments thereto, (B) includes all documents, instruments or agreements issued or executed in replacement thereof and (C) means such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified or supplemented from time to time in accordance with its terms and in effect at any given time, and (ii) a particular Law (as hereinafter defined) means such Law as amended, modified, supplemented or succeeded, from time to time and in effect at any given time. All Article, Section, Exhibit and Schedule references herein are to Articles, Sections, Exhibits and Schedules of this Agreement, unless otherwise specified. This Agreement shall not be construed as if prepared by one party hereto, but rather according to its fair meaning as a whole, as if both parties hereto had prepared it.

SECTION 1.02. Definitions.

Unless otherwise defined herein, capitalized terms used in this Agreement have the meanings assigned thereto in the JV Agreement. The following terms shall have the following respective meanings ascribed thereto:

“***Affiliate***” has the meaning assigned thereto in Section 1.2 of the JV Agreement.

“***Asset/Liability Transfer***” has the meaning assigned thereto in Section 5.01.

“***Assumed Reichhold Liabilities***” has the meaning assigned thereto in Section 2.02(a).

“***Claim Notice***” has the meaning assigned thereto in Section 6.03.

“***Dow***” has the meaning assigned thereto in the second whereas clause hereof.

“***DRSL’s Percentage***” has the meaning assigned thereto in Section 2.02(a)(ii).

“***Excluded Reichhold Liability***” has the meaning assigned thereto in Section 2.02(b).

“***Indemnified Matter***” means any matter in respect of which indemnity or payment may be sought under Section 6.01 or 6.02 by an Indemnified Person.

“***Indemnified Person***” means a Person entitled to indemnification pursuant to Section 6.01 or 6.02.

“***Indemnifying Party***” means the Person obligated to provide indemnification pursuant to Section 6.01 or 6.02.

“Joint Venture” has the meaning assigned thereto in the third whereas clause hereof.

“JV Agreement” has the meaning assigned thereto in the second whereas clause hereof.

“Law” has the meaning assigned thereto in Section 1.2 of the JV Agreement.

“Member Interest” means a 50% initial Percentage Interest (as defined in the LLC Operating Agreement) in DRSL of the Reichhold JV Member.

“Reichhold Allocation” has the meaning assigned thereto in Section 2.03.

“Reichhold Assets” means the following assets (together with all rights, title and interest of Reichhold in, under, and with respect thereto):

(a) the Reichhold Owned Real Property, including the facilities, real property, buildings, structures, improvements, fixtures, systems, equipment, items, easements, Licenses, rights and appurtenances described on Schedule A;

(b) the Reichhold Leased Property;

(c) the Reichhold Tangible Personal Property, including the Reichhold Tangible Personal Property described on Schedule B;

(d) the Reichhold Assigned Contracts;

(e) the Reichhold Books & Records;

(f) all Reichhold Intellectual Property Rights, including the items described on Schedule C;

(g) the Reichhold Credits, including the credits, prepaid expenses, deferred charges, advance payments and security deposits set forth on Schedule D, if any;

(h) the list of the customers of the Reichhold Specialty Latex Business and the potential customers of the Reichhold Specialty Latex Business with which Reichhold or an Affiliate thereof is currently in discussions regarding future Contracts; and

(i) (i) all telephone and telecopier numbers, electronic mail and website addresses, domain names, Internet Universal Resource Locators and post office boxes set forth on Schedule F (for avoidance of doubt website addresses, domain names and Internet Universal Resource Locators that include the trade name and trademark “Reichhold” or any other trade name or trademark of Reichhold or an Affiliate of Reichhold are specifically excluded) and (ii) all Reichhold Sales Materials.

Notwithstanding any provision of this Agreement or any other Transaction Document, the Reichhold Assets shall not include any cash, cash equivalents, notes receivable, investment securities, inventories and accounts receivable (including any such current assets that are attributable to the Reichhold Specialty Latex Business).

“Reichhold Assigned Contracts” means the Contracts and instruments set forth on Schedule G.

“Reichhold Books & Records” means all originals and copies of all current and historical (a) general Records, (b) personnel Records relating to the Reichhold Transferred Employees, (c) operational Records and files, (d) invoices, (e) data and (f) other Records, files and manuals (in any medium), in each case, associated with, or employed by Reichhold or its Affiliates relating to, the Reichhold Assets or the Reichhold Specialty Latex Business (including research and development notebooks and files, production data, product specifications, and material safety data sheets and correspondence), other than the organizational documents, the minute and stock record books, the corporate seals and the accounting, Tax, claims, litigation and insurance Records of Reichhold and its Affiliates.

“Reichhold Contribution” has the meaning assigned thereto in Section 2.01.

“Reichhold Conveyance Instruments” the documents and instruments of assignment, transfer or conveyance attached hereto as Exhibit B and the other such documents and instruments required to effectuate the Reichhold Contribution.

“Reichhold Credits” means the credits, prepaid expenses, deferred charges, advance payments and security deposits of Reichhold or any of its Affiliates to the extent allocable to the Reichhold Assets or the operation and conduct of the Reichhold Specialty Latex Business, if any, existing as of the date hereof.

“Reichhold Facilities” means the manufacturing facilities owned or operated by Reichhold that are located in Cheswold, Delaware and Kensington, Georgia.

“Reichhold Insurance Policies” has the meaning assigned thereto in Section 3.10.

“Reichhold Intellectual Property Rights” means all domestic or foreign, (a) copyrights and other works that may be the subject matter of copyright protection, (b) trademarks, trade names, brand names, service names and service marks, (c) advertising concepts, marketing concepts, information, data, formulae, designs, design concepts, models and drawings (including all documentation, related listings, design specifications and flowcharts), (d) computer programs and software (including Third-Party Software), (e) trade secrets, (f) patents and know-how, inventions (including all processes, methods of use, developments, improvements, discoveries, machines, and manufactures and compositions of matter) and technology that may be the subject matter of patent protection or other protection thereon under applicable Law, (g) other licenses, invention disclosures, applications pending and to be filed for any and all of the foregoing, and confirmations and registrations thereof and (h) other intangible intellectual property, in the case of each of the foregoing clauses (a) through (h), predominantly utilized in the operation of the Reichhold Specialty Latex Business.

“Reichhold JV Member” means Reichhold.

“Reichhold Leased Property” means the buildings, facilities, other structures and other real property leased by Reichhold or an Affiliate thereof, as tenant, that are utilized in the operation of, or are otherwise associated with, the Reichhold Facilities or the RTP Laboratory, together with all leasehold improvements, fixtures, systems, equipment and items of personal property attached or appurtenant thereto and all easements, Licenses, rights and appurtenances relating to the foregoing, all as described on Schedule H.

“Reichhold Owned Real Property” means the Reichhold Facilities and all associated real property owned by Reichhold (or with respect to which Reichhold has an option to purchase), together with all buildings, facilities, structures, improvements located thereon and all fixtures, systems, equipment and items of personal property attached or appurtenant thereto or located thereon, and all easements, Licenses, rights and appurtenances relating to the foregoing.

“Reichhold Required Approvals” means, to the extent transferable, (a) all air emission allowances, air pollution emission credits and other environmental credits associated with the operation of the Reichhold Facilities and the RTP Laboratory, (b) all Governmental Approvals and Licenses utilized in the operation of, or are otherwise associated with, the Reichhold Facilities and the RTP Laboratory and (c) all Governmental Approvals and Licenses required (in accordance with applicable Law, by Contracts to which Reichhold or any of its Affiliates is a party or otherwise) (i) in the operation of the Reichhold Facilities and the RTP Laboratory, (ii) to own, hold, utilize and operate the Reichhold Assets and (iii) otherwise material to the ownership of the Reichhold Assets and the operation and conduct of the Reichhold Facilities and the RTP Laboratory, all as conducted, owned, held, utilized and operated on the Closing Date, including all allowances, credits, Governmental Approvals and Licenses set forth on Schedule I.

“Reichhold Sales Materials” means all sales, promotional, advertising and other literature, catalogues, price lists and other sales-related materials (in any medium) exclusively used in the operation or conduct of the Reichhold Specialty Latex Business.

“Reichhold Specialty Latex Business” has the meaning assigned thereto in Section 1.2 of the JV Agreement.

“Reichhold Tangible Personal Property” means, except for the items that are to be purchased by DRSL pursuant to the terms of the Reichhold Inventory Sales Agreement, each item or distinct group of machinery, laboratory and other equipment, tools, parts, spare parts, laboratory and other supplies, furniture, furnishings, personal property, vehicles, computers, rolling stock, materials and other tangible personal property owned by Reichhold or its Affiliates that (a) is predominantly utilized in connection with the Reichhold Specialty Latex Business and (b) is located at, or are otherwise associated with, the RTP Laboratory or the Reichhold Facilities.

“Reichhold Tax Returns” has the meaning assigned thereto in Section 3.05(a).

“RTP Laboratory” means the research and development laboratory owned or otherwise utilized by Reichhold or its Affiliates in Research Triangle Park, North Carolina.

“Specialty Latex Business” has the meaning assigned thereto in Section 1.2 of the JV Agreement.

“**Tax Refund**” means a refund of any Taxes, including a reduction in Tax, the use of an overpayment as a credit or other Tax offset and any interest paid with respect to such refund.

“**Third-Party Software**” means every computer software program that is utilized in the operation of, or otherwise in connection with, the Reichhold Specialty Latex Business and owned by a Person other than Reichhold.

“**Transfer Approval**” has the meaning assigned thereto in Section 5.01.

“**Uncertain Reichhold Liability**” has the meaning assigned thereto in Section 2.02(a)(ii).

SECTION 1.03. Accounting Terms.

All accounting terms not specifically defined herein shall be construed in accordance with GAAP.

ARTICLE II CONTRIBUTION OF ASSETS AND ASSUMPTION OF LIABILITIES

SECTION 2.01. Contribution of Assets.

On the terms and subject to the conditions of this Agreement, at the Closing, in consideration for (x) the receipt at the Closing by the Reichhold JV Member from DRSL of the Member Interest and (y) the assumption of the Assumed Reichhold Liabilities in accordance with Section 2.02 and the Reichhold Conveyance Instruments, and as a capital contribution to DRSL on behalf of the Reichhold JV Member (the “**Reichhold Contribution**”), Reichhold shall execute and deliver each Reichhold Conveyance Instrument and effectuate the assignment, transfer, delivery, grant and conveyance thereunder of the Reichhold Assets subject thereto, free and clear of all Encumbrances and Liabilities (other than Permitted Encumbrances and the Assumed Reichhold Liabilities), and the other transactions contemplated thereby. Notwithstanding any other provision hereof, all real property rights that DRSL is receiving with respect to the RTP Laboratory shall be transferred pursuant to, and are set forth in, the RTP Sublease.

SECTION 2.02. Assumption of Liabilities.

(a) On the terms and subject to the conditions of this Agreement, effective as of the Closing, in consideration for the Reichhold Contribution, the following Liabilities are hereby assigned to DRSL, and DRSL hereby assumes, takes and accepts from Reichhold such Liabilities (the “**Assumed Reichhold Liabilities**”):

(i) the unperformed or unfulfilled obligations and liabilities of Reichhold and its Affiliates relating to events or circumstances arising following the Closing Date with respect to (A) the Reichhold Assigned Contracts solely as such Contracts relate to the JV Business, (B) the other Reichhold Assets and (C) the Reichhold Transferred Employees; and

(ii) with respect to any Liability arising from an Environmental Claim relating to the RTP Laboratory, the Reichhold Facilities or any other Reichhold Asset with respect to which the date of the events or circumstances giving rise to such Liability cannot be clearly demonstrated to be either (x) prior to or on the Closing Date or (y) following the Closing Date (any such Liability, an “*Uncertain Reichhold Liability*”), the following applicable percentage of such Liability (the “*DRSL’s Percentage*”):

<u>Date of Discovery of the Liability</u>	<u>Percentage of the Liability</u>
Period commencing on the Closing Date and ending on the 2 nd anniversary thereof	10%
Period commencing on the day following the 2 nd anniversary of the Closing Date and ending on the 4 th anniversary of the Closing Date	30%
Period commencing on the day following the 4 th anniversary of the Closing Date and ending on the 6 th anniversary of the Closing Date	50%
Period commencing on the day following the 6 th anniversary of the Closing Date and ending on the 8 th anniversary of the Closing Date	70%
Period commencing on the day following the 8 th anniversary of the Closing Date and ending on the 10 th anniversary of the Closing Date	90%
Period commencing on the day following the 10 th anniversary of the Closing Date	100%

For the period commencing on the Closing Date, DRSL shall pay, fulfill, perform or otherwise discharge when due the Assumed Reichhold Liabilities in accordance with their respective terms.

(b) As a result of the transactions contemplated hereby, except for the Assumed Reichhold Liabilities, DRSL shall not assume, be liable for, or otherwise become responsible for (i) any Liability of any nature of Reichhold or any Affiliate of Reichhold or DIC, (ii) any Liability arising from, or in connection with, the Reichhold Assets (or the ownership, holding, use or operation thereof by Reichhold or any Affiliate or independent contractor of Reichhold or DIC) or the Reichhold Specialty Latex Business (or Reichhold’s operation thereof) or (iii) any other Liability (any such Liability set forth in foregoing clause (i), (ii) or (iii), an “*Excluded*”

Reichhold Liability”), which Excluded Reichhold Liabilities, notwithstanding any other provision hereof, include:

(i) any Liability relating to any operations of Reichhold or any Affiliate of Reichhold or DIC other than the Reichhold Specialty Latex Business;

(ii) any intercompany debt or other Liability between Reichhold and any Affiliate of Reichhold or DIC;

(iii) any Liability under, with respect to, or in connection with, any Contract of Reichhold or any Affiliate of Reichhold or DIC other than the Reichhold Assigned Contracts;

(iv) all Liabilities associated with products sold with respect to the Reichhold Specialty Latex Business on or prior to the Closing Date and all other Liabilities with respect to the Reichhold Specialty Latex Business and the Reichhold Assets relating to events or circumstances arising on or prior to the Closing Date;

(v) (A) any Uncertain Reichhold Liability other than the DRSL’s Percentage and (B) any Liability arising from any other environmental Liability relating to events or circumstances arising on or prior to the Closing Date relating to the Reichhold Specialty Latex Business, any Reichhold Asset, Reichhold, any Affiliate of Reichhold or DIC or otherwise;

(vi) any Liability in connection with any compensation and benefit obligation or other Liability relating to events or circumstances arising on or prior to the Closing Date in connection with any Reichhold Transferred Employee or any other employee or independent contractor of Reichhold or any Affiliate of Reichhold or DIC;

(vii) any Liability in connection with any Proceeding (A) on the Closing Date that is in progress, pending or threatened in writing against or affecting Reichhold, its Affiliates, the Affiliates of DIC, the assets (including the Reichhold Assets) or business of Reichhold (including the Reichhold Specialty Latex Business), this Agreement or any other Transaction Document, at law or in equity, by or before any Governmental Authority or any other Person or body or (B) arising prior to, on, or following the Closing Date against or affecting Reichhold, its Affiliates, the Affiliates of DIC or the assets (including the Reichhold Assets) or business of Reichhold (including the Reichhold Specialty Latex Business), at law or in equity, by or before any Governmental Authority or other Person or body, to the extent relating to the period prior to the Closing Date;

(viii) the outstanding expenses and accounts payable of Reichhold or any Affiliate of Reichhold or DIC, including such current liabilities attributable to the Reichhold Specialty Latex Business;

(ix) any Tax obligation of Reichhold or any Affiliate of Reichhold or DIC;

(x) any Tax arising from (A) the ownership of the Reichhold Assets, (B) the assumption and incurring of the Assumed Reichhold Liabilities or (C) the operation and conduct of, or otherwise attributable to, the Reichhold Specialty Latex Business, for any taxable period or portion thereof ending on or prior to the Closing Date; and

(xi) any Liabilities under, with respect to, or in connection with, any Tax allocation or sharing Contract that may have been entered into by Reichhold or any Affiliate of Reichhold or DIC to apportion and share group-filing Tax Liabilities.

SECTION 2.03. Allocation.

The Member Interest and the Assumed Reichhold Liabilities shall be allocated for purposes of this Agreement, as of the Closing, among the Reichhold Assets and the other Transaction Documents (the "***Reichhold Allocation***"). Each party hereto shall cooperate fully with the other party hereto to facilitate a prompt determination of the Reichhold Allocation. For all Tax purposes, the transactions contemplated by this Agreement shall be reported in a manner consistent with the terms of this Agreement and no party hereto shall take any position inconsistent therewith in any Tax Return, in any Tax Refund claim, in any litigation or otherwise.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF REICHHOLD

Reichhold hereby represents and warrants to DRSL as of the Closing Date as follows:

SECTION 3.01. Conduct of Business.

Since December 31, 2000, except as expressly stated herein or in the other Transaction Documents, Reichhold has not, with respect to the Reichhold Specialty Latex Business: (a) except in the ordinary course of business, sold, leased or transferred, or agreed to sell, lease or transfer, any Reichhold Asset; (b) entered or agreed to enter into any Contract granting any preferential right to purchase any Reichhold Asset; (c) entered or agreed to enter into any transaction other than in the ordinary course of business; (d) made any change in any accounting method, practice or principle or in any system of internal accounting controls; or (e) agreed, whether in writing or otherwise, to take any action described in this Section 3.01.

SECTION 3.02. Certain Assets.

(a) Reichhold solely owns, leases or has the legal right to use all the Reichhold Assets. With respect to each Reichhold Assigned Contract, Reichhold enjoys the right to the benefits of such Contract in accordance with its terms. Reichhold solely owns and has good, marketable and insurable title to, or have valid and subsisting leasehold interests or licensee rights in, the Reichhold Assets, all free and clear of all Encumbrances, except for Permitted Encumbrances and the Assumed Reichhold Liabilities. Without limiting the generality of the foregoing, Reichhold (i) has not granted, or agreed to grant, (A) any interest or right in, or with respect to, any Reichhold Asset or (B) any right to acquire or receive any Reichhold Asset or any interest or right therein or with respect thereto and (ii) is not a party to, or bound by, any Contract affecting or relating to a right to transfer any Reichhold Asset (or any interest or right therein or with

respect thereto) that, in the case of either of foregoing clause (i) or (ii), has or shall have a material adverse effect on the ability of DRSL to utilize the Reichhold Assets as contemplated by the Transaction Documents.

(b) At the Closing, Reichhold shall transfer and deliver to DRSL, and DRSL shall receive, the interests and rights of Reichhold in all Reichhold Assets (other than with respect to the Reichhold Assigned Contracts), free and clear of any Encumbrance, except for Permitted Encumbrances and the Assumed Reichhold Liabilities. Without limiting the generality of the foregoing, at the Closing, Reichhold shall transfer and deliver to DRSL, and DRSL shall receive, valid title to the Reichhold Owned Real Property, the Reichhold Tangible Personal Property and all other Reichhold Assets, free and clear of any Encumbrance, except for Permitted Encumbrances and the Reichhold Assumed Liabilities.

(c) Schedule B sets forth a complete and accurate list of all Reichhold Tangible Personal Property. The Reichhold Tangible Personal Property (i) has been adequately maintained, (ii) is in normal operating condition (with the exception of normal wear and tear) and (iii) is ready for its intended use without modification.

(d) Except as set forth in Section 2.01 and on Schedule 3.02(d), (i) none of the Reichhold Assets are subject to any lease or other Contract pursuant to which Reichhold or another Person is a lessee or lessor of, or holds, manages or operates, any Reichhold Asset and (ii) neither Reichhold nor any Affiliate thereof is a party to any lease or other Contract under which (A) it is a lessee or lessor of, or holds, manages or operates, any property (real or personal) owned by any Person other than Reichhold or an Affiliate thereof that is utilized in the operation of, or otherwise in connection with, the Reichhold Specialty Latex Business, or (B) any property, real or personal, owned by Reichhold or any Affiliate thereof that is utilized in the operation of, or otherwise in connection with, the Reichhold Specialty Latex Business is held, occupied, operated or managed by a Person other than Reichhold or an Affiliate thereof. With respect to each lease set forth on Schedule 3.02(d) pursuant to which Reichhold is described therein as the lessee thereunder, it is the owner and holder of the leasehold estates purported to be granted by such lease.

(e) Set forth on Schedule D are the Reichhold Credits.

(f) Schedules A and H set forth a true and correct legal description of the Reichhold Owned Real Property and the Reichhold Leased Property, respectively.

SECTION 3.03. Reichhold Assigned Contracts.

Schedule G is a complete and accurate list of (a) all material Contracts entered into by Reichhold or an Affiliate thereof predominately relating to the Reichhold Specialty Latex Business, the Reichhold Assets or the Assumed Reichhold Liabilities, (b) all material Contracts to which any Reichhold Asset is subject and (c) all Contracts that are material to the operation of the Reichhold Specialty Latex Business, the Reichhold Assets or the Assumed Reichhold Liabilities. Each Reichhold Assigned Contract is valid, binding, in full force and effect, and constitutes a valid and binding obligation of, and is enforceable in accordance with its terms against, Reichhold and, to the knowledge of Reichhold, the other parties thereto. Reichhold is

not in default under any Reichhold Assigned Contract. To the knowledge of Reichhold, (i) no other party to any Reichhold Assigned Contract is in default thereunder and (ii) no condition exists or event has occurred that with notice or lapse of time, or both, would constitute a default thereunder, result in the loss of any right of Reichhold thereunder or create a right of termination in favor of any party thereto.

SECTION 3.04. Intellectual Property.

Schedule C sets forth a complete and accurate list of all the Reichhold Intellectual Property Rights. All registrations for Reichhold Intellectual Property Rights are valid and in full force and effect, and, to the knowledge of Reichhold, there are no outstanding challenges by any Person, either to any such registration or to any application thereof. Reichhold has title or the right to use all intellectual property rights that are material or necessary to the operation of the Reichhold Specialty Latex Business as it is currently conducted, and all such intellectual property rights constitute Reichhold Assets transferred hereunder or are included in the Reichhold/DRSL Patent and Technology License. Reichhold has valid and enforceable perpetual licenses to use all Third-Party Software that constitute a Reichhold Asset. To the knowledge of Reichhold, no Person is infringing or has infringed upon any right of Reichhold relating to any Reichhold Intellectual Property Right. No infringement of any intellectual property right of any Person results from the ownership, use or operation by Reichhold of any Reichhold Asset or the operation of the Reichhold Specialty Latex Business. There is no claim of any infringement by Reichhold or any Affiliate thereof of any intellectual property right of any Person being made, asserted, to the knowledge of Reichhold, or threatened against Reichhold or any such Affiliate with respect to, or in connection with the ownership, use or operation of, any Reichhold Asset by Reichhold or the operation of the Reichhold Specialty Latex Business, and no such claim has been made, asserted or, to the knowledge of Reichhold, threatened during the preceding three-year period.

SECTION 3.05. Taxes.

(a) Reichhold has duly filed with the appropriate taxing authorities and Governmental Authorities all Tax Returns required to be filed thereby (without regard to extensions of time permitted by Law or otherwise) (the "***Reichhold Tax Returns***"). All Reichhold Tax Returns are accurate and complete. No deficiency has been asserted with respect to any Reichhold Tax Return (as a result of an examination by the IRS (or other applicable taxing authority or Governmental Authority) of a Reichhold Tax Return, or otherwise) for any period through and including December 31, 2000 that have not been resolved and fully paid. Reichhold has not granted or entered into any request, consent, waiver or agreement to extend the time within which to file any Tax Return, its taxable year or the statutory period of limitations applicable to the assessment or collection of any Tax with respect to any Reichhold Tax Return or otherwise.

(b) There is no Encumbrance on any Reichhold Asset that arose in connection with any failure (or alleged failure) to pay any Tax.

(c) Reichhold is not a "foreign person" within the meaning of Treasury Regulation Section 1.1445-2(b).

SECTION 3.06. Compliance With Law.

Reichhold has not received any notice that it or the Reichhold Assets are not in compliance with, and Reichhold and the Reichhold Assets are in compliance in all material respects with, all applicable Laws, in each case with respect to the Reichhold Specialty Latex Business.

SECTION 3.07. Governmental Approvals and Licenses.

(a) The Governmental Approvals and Licenses listed on Schedule I constitute all Reichhold Required Approvals. All the Reichhold Required Approvals are in full force and effect and there are no reasonable grounds to believe that any such Reichhold Required Approval shall not, in the ordinary course, be renewed upon expiration. At and as of the Closing, all the Reichhold Required Approvals have been issued to Reichhold and are in full force and effect. Reichhold has fulfilled and performed all its obligations with respect to the Reichhold Required Approvals. No event has occurred that allows, or after notice or lapse of time could allow, revocation or termination of any Reichhold Required Approval or results, or after notice or lapse of time could result, in any material adverse effect with respect to the holder of any Required Approval.

(b) (i) No Reichhold Required Approval has been revoked or suspended, (ii) neither Reichhold nor any Affiliate thereof has been involved in a Proceeding or investigation, whether formal or informal, to revoke, suspend, limit or restrict any Reichhold Required Approval, (iii) neither Reichhold nor any Affiliate thereof has been notified by any Governmental Authority or other Person that there is cause to revoke, suspend, limit or restrict any Reichhold Required Approval and (iv) no such revocation, suspension, limitation or restriction is, to the knowledge of Reichhold, threatened by any Governmental Authority or other Person.

(c) Attached hereto as Schedule 3.07(c) is a list of all applications of Reichhold and the Affiliates thereof for Governmental Approvals and Licenses with respect to the Reichhold Specialty Latex Business and the Reichhold Assets and the current status of all such applications, which list is complete and accurate.

(d) No Governmental Approval or License is required for (i) the execution or delivery by Reichhold of this Agreement or any other Transaction Document to which it is a party or (ii) the performance thereby of its obligations hereunder or thereunder.

SECTION 3.08. Financial Information.

Attached hereto as Schedule 3.08 are (a) unaudited pro forma financial schedules summarizing volume sold, revenues, freight, net sales, raw material at standard and standard contribution margin of the Reichhold Specialty Latex Business for each of the years in the three-year period ended on December 31, 2000, (b) unaudited pro forma financial schedules summarizing volume sold, revenues, freight, net sales, raw material at standard and standard contribution margin of the Reichhold Specialty Latex Business for the three-month period ended March 31, 2001 and (c) an unaudited financial schedule of the items that are to be purchased by DRSL pursuant to the terms of the Reichhold Inventory Sales Agreement detailing volumes and

value of such items for each of the 12 months preceding and including the month-end prior to the date hereof. All such financial schedules described above (i) are in accordance with the books and records of Reichhold, (ii) present fairly the respective financial information of the Reichhold Specialty Latex Business as of the dates and for the periods indicated and (iii) have been prepared in accordance with GAAP consistently applied.

SECTION 3.09. Hazardous Materials.

(a) Reichhold and any real or personal property that it owns, operates, occupies, leases or manages (including the RTP Laboratory, the Reichhold Facilities and the other Reichhold Assets), in whole or in part, directly or indirectly, is in compliance with all applicable Environmental Laws, except where the failure to be so in compliance could not reasonably be expected, individually or in the aggregate, to have a material adverse effect on Reichhold or the Reichhold Specialty Latex Business.

(b) Neither Reichhold nor any Affiliate thereof has received any written communication from any Person that alleges that Reichhold or any Affiliate thereof or any real or personal property that Reichhold or any Affiliate thereof owns, operates, occupies, leases or manages (including the RTP Laboratory, the Reichhold Facilities and the other Reichhold Assets), in whole or in part, directly or indirectly, is not in compliance with applicable Environmental Laws, except where the failure to be so in compliance could not reasonably be expected, individually or in the aggregate, to have a material adverse effect on Reichhold or the Reichhold Specialty Latex Business.

(c) Reichhold has obtained and maintains all Environmental Permits necessary for the construction and operation of the Reichhold Facilities and the RTP Laboratory and the conduct of the Reichhold Specialty Latex Business, and all such Environmental Permits are in good standing or, where applicable, an application or renewal application has been timely filed, is pending and approval is expected by Reichhold to be obtained, and Reichhold is in compliance with all terms and conditions of all such Environmental Permits and is not required to make any expenditure in order to obtain or renew any Environmental Permit.

(d) There is no Environmental Claim pending or, to the knowledge of Reichhold, threatened (i) against Reichhold or any Affiliate thereof with respect to the Reichhold Specialty Latex Business contributed hereunder or (ii) against the RTP Laboratory, the Reichhold Facilities or any other Reichhold Asset, in whole or in part, directly or indirectly, and there is no basis for any such Environmental Claim.

(e) No Release of any Hazardous Material has occurred on, at, from or to the RTP Laboratory, the Reichhold Facilities or any other Reichhold Asset that requires investigation, assessment, monitoring, remediation, response, removal, corrective action, cleanup or any similar action under Environmental Laws. There are no underground tanks or asbestos in any form located at the Reichhold Facilities or the RTP Laboratory.

(f) Reichhold has disclosed to DRSL all material facts that Reichhold reasonably believes could be reasonably expected to form the basis of a material adverse effect on the RTP Laboratory, the Reichhold Facilities or any other Reichhold Asset.

SECTION 3.10. Insurance.

Schedule 3.10 sets forth a complete and correct list of all policies (other than director and officer insurance policies) or binders of insurance and all insurance bonds (the "**Reichhold Insurance Policies**") held or maintained by or for the benefit of (a) Reichhold with respect to the Reichhold Specialty Latex Business or the Reichhold Assets (including the existing title insurance policies with respect to the Reichhold Facilities), specifying the insurer, the amount and nature of coverage, the risk insured against, the deductible amount (if any) and the date through which coverage shall continue by virtue of premiums already paid. Each Reichhold Insurance Policy is in full force and effect and constitutes the valid and binding obligation of, and is enforceable against, the parties thereto in accordance with its terms. The Reichhold Insurance Policies are issued by reputable insurers and cover all risks normally insured against, and in amounts normally carried, by business operations of similar size engaged in lines of business similar to those of Reichhold. Reichhold has not reached or exceeded its policy limits for any of its insurance policies in effect at any time during the past five years with respect to the Reichhold Specialty Latex Business.

SECTION 3.11. Real Estate.

There is no pending or threatened Proceeding in eminent domain, for rezoning or otherwise that could affect the Reichhold Facilities or the RTP Laboratory or any portion thereof, nor does Reichhold know of the existence of any fact that might give rise to any such Proceeding. Reichhold is in compliance in all material respects with all zoning requirements applicable to the Reichhold Facilities and the RTP Laboratory. There is no intended or promised public improvement or special assessment affecting or that could affect the Reichhold Facilities, the RTP Laboratory or any portion thereof that could result in any charge being levied or assessed against it or in the creation of any Encumbrance against it. To the knowledge of Reichhold, there is no plan, study or program in effect by any Governmental Authority to widen, modify or realign any street providing access to or running adjacent to the Reichhold Facilities, the RTP Laboratory, the property upon which either Reichhold Facility or the RTP Laboratory is located or any portion thereof, or that in any other manner might materially affect the current use of the Reichhold Facilities, the RTP Laboratory or any portion thereof. Reichhold has legal and practical vehicular access to the property upon which the Reichhold Facilities and the RTP Laboratory are located. There is no commitment or agreement with any Governmental Authority or public or private utility affecting the RTP Laboratory, the Reichhold Facilities or any other Reichhold Asset or any portion of the foregoing that has not been disclosed in writing by Reichhold to DRSL. There is no defect or condition of the soil that could impair the use by DRSL or any Subsidiary thereof of the Reichhold Facilities, the RTP Laboratory or any portion thereof. To the knowledge of Reichhold, there is no mining, mineral or water extraction or development project in progress under the Reichhold Facilities, the RTP Laboratory or any portion thereof or on or under any other land in the vicinity thereof that could in any manner affect (including by subsidence) the RTP Laboratory, the Reichhold Facilities or any other Reichhold Asset or any portion of the foregoing. All utilities necessary for the use of the Reichhold Facilities and the RTP Laboratory, including gas, electricity, water, sewer and telephone, are currently available and fully operational. There is no encroachment of any improvement, fixture, building, structure or fence located on the property upon which the

Reichhold Facilities or the RTP Laboratory are located onto any adjoining land, nor any encroachment onto such property of any improvement, fixture, building, structure or fence located on any adjoining land.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF DRSL

DRSL hereby represents and warrants to Reichhold and the Reichhold JV Member as of the Closing Date as follows:

SECTION 4.01. Existence and Power.

DRSL is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and has the requisite corporate power and authority to own, use and operate the JV Assets as contemplated by the terms hereof and the other applicable Transaction Documents.

SECTION 4.02. Authorization.

DRSL has the full legal right and power and authority to execute and deliver this Agreement and any other Transaction Document to which it is a party, and to consummate the transactions contemplated hereby and thereby in accordance with the terms hereof and thereof. The execution and delivery by DRSL of this Agreement and such other Transaction Documents and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of DRSL.

SECTION 4.03. No Violations, Etc.

Neither the execution, delivery or performance by DRSL of this Agreement or any other Transaction Document to which it is a party, nor the consummation of the transactions contemplated hereby or thereby, nor the compliance by DRSL with the provisions hereof or thereof in accordance with the terms hereof and thereof: (a) requires any License or Governmental Approval or any other action by any Governmental Authority or DRSL or in respect of any Governmental Approval that has not been completed, obtained or taken prior to the Closing Date; (b) violates any applicable Law or any judgment, order or award of any Governmental Authority; or (c) violates, conflicts with, or results in a breach or contravention of, any of the provisions of the certificate of formation or other governing documents of DRSL.

SECTION 4.04. Binding Effect.

This Agreement and the other Transaction Documents are the legal, valid and binding obligations of DRSL, enforceable against DRSL in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors' rights and to general principles of equity.

SECTION 4.05. Compliance with Applicable Law.

DRSL is in compliance in all material respects with all applicable Laws.

**ARTICLE V
TRANSFER OF ASSETS**

SECTION 5.01. Nontransferability of Assets.

To the extent that any Reichhold Asset is not capable of being contributed, assigned, transferred, delivered, granted or conveyed or any Assumed Reichhold Liability is not capable of being assumed, all as contemplated herein (each, an "*Asset/Liability Transfer*"), without the approval, consent, waiver or other License of any Person other than Reichhold, an Affiliate thereof or DRSL (including any Governmental Authority) (a "*Transfer Approval*") or if such Asset/Liability Transfer or attempted Asset/Liability Transfer would be invalid, would destroy or eliminate any Reichhold Asset or would constitute a breach of any Reichhold Asset or a violation of any Law, (a) this Agreement shall not constitute a contribution, assignment, transfer, delivery, grant, conveyance or assumption thereof, or an attempted contribution, assignment, transfer, delivery, grant, conveyance or assumption thereof, in the absence of such Transfer Approval, and (b) each party hereto shall, to the extent practicable, take all reasonable, lawful and appropriate steps to provide the parties hereto the respective benefits and burdens of any such contribution, assignment, transfer, delivery, conveyance, grant or assumption in accordance with the terms hereof and the other applicable Transaction Documents.

SECTION 5.02. Cooperation.

Each party hereto undertakes to cooperate in good faith to ensure that it does such acts and things as may be reasonably necessary to complete the transactions contemplated hereby in accordance with the terms hereof. At all times after the date hereof, the parties hereto shall do such acts and things as may be reasonably required for the purpose of giving to DRSL in accordance with the terms hereof and the other applicable Transaction Documents the benefit and burden of the Reichhold Assets and the Assumed Reichhold Liabilities, including using commercially reasonable efforts in order that any necessary third party shall execute such documents and do such acts and things as may be reasonably required for such purpose. Each party hereto shall use commercially reasonable efforts to obtain any Transfer Approval.

SECTION 5.03. Agency.

In the event a Transfer Approval is unable to be obtained, or an Asset/Liability Transfer would be invalid, would destroy or eliminate a Reichhold Asset or would constitute a breach of a Reichhold Asset or a violation of any Law, Reichhold shall continue to be bound by the applicable Reichhold Asset or Assumed Reichhold Liability and, unless prohibited by Law or the terms thereof, DRSL shall, as agent for or subcontractor of Reichhold, pay, perform and discharge fully the obligations of Reichhold thereunder as if such Reichhold Asset or Assumed Reichhold Liability had been contributed or assumed in accordance with the terms hereof. Reichhold shall, as consideration for the performance of such agency or subcontractor services, promptly pay and remit to DRSL all money, rights and other consideration received by

Reichhold in respect of such performance by DRSL, less any Taxes imposed on, or costs, expenses or other Liabilities incurred by, Reichhold with respect to such receipt, payment and remittance. If and when any such Transfer Approval shall be obtained or such Reichhold Asset or Assumed Reichhold Liability shall otherwise become contributable, assignable, transferable, deliverable, grantable, conveyable or assumable, as applicable, such Asset/Liability Transfer in accordance with Article II or other applicable Transaction Documents shall become effective automatically as of the Closing Date, without further action on the part of the Reichhold JV Member, DRSL or any of their respective Affiliates, and without payment of further consideration.

ARTICLE VI INDEMNIFICATION

SECTION 6.01. Indemnification by Reichhold.

From and following the date hereof Reichhold shall indemnify, defend and hold harmless DRSL and the officers, directors, managers, employees, agents and representatives thereof from and against, or otherwise pay such Persons for, any and all Losses (except for any Loss caused by the act or omission of DRSL, any Subsidiary thereof or any of their respective officers, directors, managers, employees, agents or representatives) incurred or suffered by any such Indemnified Person (including any Proceeding brought or otherwise initiated by any of them) arising out of, based upon, in connection with, or resulting from: (a) any inaccuracy in or breach of any representation or warranty made by Reichhold in this Agreement, the JV Agreement or any Reichhold Conveyance Instrument (disregarding for this purpose any qualification of such representation or warranty as to materiality); (b) any failure to perform, breach or violation by Reichhold of any of its covenants or agreements contained herein or therein; and (c) any Excluded Reichhold Liability.

SECTION 6.02. Indemnification by DRSL.

From and following the date hereof DRSL shall indemnify, defend and hold harmless Reichhold, the Reichhold JV Member and their respective Affiliates and the officers, directors, managers, employees, agents and representatives thereof from and against, or otherwise pay such Persons for, any and all Losses (except for any Loss caused by the act or omission of Reichhold, the Reichhold JV Member, any of their respective Affiliates (other than DRSL or a Subsidiary thereof) or any officer, director, manager, employee, agent or representative thereof) incurred or suffered by any such Indemnified Person (including any Proceeding brought or otherwise initiated by any of them) arising out of, based upon, in connection with, or resulting from: (a) any inaccuracy in or breach of any representation or warranty made by DRSL in this Agreement or any Reichhold Conveyance Instrument (disregarding for this purpose any qualification of such representation or warranty as to materiality); (b) any failure to perform, breach or violation by DRSL of any of its covenants or agreements contained herein or therein or in the JV Agreement or any other Transaction Document; (c) the ownership or operation of the JV Business, the JV Assets, the Reichhold Specialty Latex Business and the Reichhold Assets by DRSL, its Subsidiaries and independent contractors and actions taken by or on behalf thereof, in each case, after the Closing; and (d) any Assumed Reichhold Liability.

SECTION 6.03. Control of Litigation.

Promptly following (a) receipt by an Indemnified Person of notice of the commencement of any Proceeding or the written assertion of any claim or demand with respect to an Indemnified Matter or (b) any claim or Loss with respect to an Indemnified Matter otherwise arising of which an Indemnified Person obtains knowledge, such Indemnified Person shall notify the appropriate Indemnifying Party (the "***Claim Notice***") of such notice, assertion or claim, as the case may be; *provided, however*, the failure of the Indemnified Person to so notify the Indemnifying Party shall not affect any right of the Indemnified Person, except to the extent such failure to so notify the Indemnifying Party results in loss or impairment of any material defense or a material increase in Losses. The Indemnifying Party shall, at its own cost and expense, assume the defense of such Indemnified Matter within 30 days following receipt of the Claim Notice; *provided* that the Indemnified Person shall upon reasonable notice by such Indemnifying Party consult from time to time in respect of such Indemnified Matter and provide such Indemnifying Party with any document, other item or available information about any witness in the possession of such Indemnified Person that such Indemnifying Party deems in its reasonable judgment to be necessary in connection with such Indemnified Matter and any reasonable and properly documented out-of-pocket costs therefor shall be paid or reimbursed by such Indemnifying Party. An Indemnified Person, at such Person's own expense, may participate in the defense of any Indemnified Matter and employ separate counsel; *provided* that the Indemnified Person shall have the right to select separate counsel to participate in the defense or handling of such Indemnified Matter on such Person's behalf, at the cost and expense of the Indemnifying Party, in the event the defendants or potential defendants or obligors in connection with such Indemnified Matter shall include both the Indemnifying Party and the Indemnified Person but counsel selected by the Indemnifying Party has a conflict of interest because of the availability of different or additional defenses to such Indemnified Person. Except as set forth above, the Indemnifying Party may, in its sole discretion, defend, settle or compromise any Indemnified Matter; *provided* that (x) such Indemnifying Party shall be solely liable in respect of Losses arising therefrom (whether by payment of any judgment, settlement, amount or indemnity hereunder), and (y) such Indemnifying Party shall not settle any such Indemnified Matter without the prior written consent of the relevant Indemnified Person(s), which consent shall not be unreasonably withheld. If the Indemnifying Party chooses to defend or prosecute any Indemnified Matter, the Indemnified Person shall cooperate in any reasonable manner in the defense or prosecution thereof.

SECTION 6.04. Cooperation.

The Indemnifying Party and the Indemnified Person shall fully cooperate with each other in regard to any Indemnified Matter, including promptly delivering copies of all pleadings, documents, reports and correspondence to such other party, and acting reasonably in all matters in which joint decisions are required.

SECTION 6.05. Reimbursement; Subrogation.

The Indemnifying Party, no later than five Business Days following demand or request therefor, shall reimburse each Indemnified Person for any Loss incurred or suffered thereby with respect to any Indemnified Matter or shall pay such amounts directly, except as otherwise

provided in Section 6.03. Any amounts reimbursed or paid under this Article VI shall be net of any Tax benefit received and include (x) any additional amount reasonably necessary to indemnify the Indemnified Person against any additional Liability for Taxes that such Indemnified Person may incur as a result of such reimbursement or payment itself, on a fully grossed up basis, and (y) in the event any such reimbursement or payment occurs more than five Business Days following the demand or request therefor, interest thereon at the Interest Rate for the period commencing on such fifth Business Day and ending on the Business Day prior to the date such reimbursement or payment is made. The Indemnifying Party shall be subrogated to such Indemnified Person's right in the affected transaction and shall have a right to determine the settlement of claims therein; *provided* that the Indemnifying Party shall enter into such settlement, subject to the terms of Section 6.03, with due consideration of the best interests of such Indemnified Person.

ARTICLE VII MISCELLANEOUS PROVISIONS

SECTION 7.01. Non-Survival of Representations, Warranties, Etc.

It is the express intention and agreement of the parties hereto that all representations and warranties made by a party hereto, herein or in any document or instrument delivered by a party hereto pursuant to the provisions of this Agreement, shall survive the Closing and shall remain in full force and effect, regardless of any investigation made by or on behalf of the other party hereto, for a period of three years following the Closing Date, together with any associated right to indemnification pursuant to Sections 6.01(a) and 6.02(a), except for those representations and warranties (x) in Sections 3.02(a), 3.02(b) and 4.01 (the provisions of which (and such associated rights, if any) shall survive indefinitely, regardless of any investigation made by or on behalf of the other party hereto), (y) in Section 3.05 (the provisions of which (and such associated rights) shall survive for the relevant statute of limitations, regardless of any investigation made by or on behalf of DRSL) and (z) in Section 3.09 (the provisions of which (and such associated rights) shall survive for a period of five years following the Closing Date, regardless of any investigation made by or on behalf of DRSL). Notwithstanding the foregoing, if notice of breach of any representation or warranty that survives the Closing pursuant to this Section 7.01 is given to the Indemnifying Party prior to the time it would otherwise terminate pursuant to this Section 7.01, thereby, if applicable, giving rise to a right to indemnification with respect thereto under Article VI, such representation or warranty shall survive until resolution of such indemnification claim in accordance with the terms thereof.

SECTION 7.02. Amendments; Waivers.

This Agreement may not be amended or modified, except by an instrument in writing signed by all parties hereto. Waiver of any term or condition of this Agreement shall only be effective if in writing signed by the party hereto not requesting such waiver and shall not be construed as a waiver of any subsequent breach or waiver of the same term or condition, or a waiver of any other term or condition of this Agreement. The failure of any applicable party hereto to insist upon the strict performance of any term, condition or other provision of this Agreement or to exercise any right or remedy hereunder or otherwise, shall not constitute a

waiver by such applicable party of any such term, condition or other provision or a waiver of any default or event of default in connection therewith; and any waiver by a party hereto of any such term, condition, other provision, default or event of default shall not otherwise affect or alter this Agreement, and each and every term, condition and other provision hereof shall, in such event, continue in full force and effect and shall be operative with respect to any other then existing or subsequent default or event of default.

SECTION 7.03. Assignment.

This Agreement shall inure to the benefit of and be binding on the parties hereto and their respective successors and assigns; *provided, however*, that no party hereto shall assign any of such party's rights or delegate any of such party's obligations hereunder without the prior written consent of the other party hereto, which consent may be granted or withheld at such party's sole discretion. Notwithstanding the foregoing, a party hereto may assign any of its rights and delegate any of its obligations hereunder to any of its Affiliates without the consent of the other party hereto; *provided*, that such party shall remain liable for all such delegated obligations under this Agreement. Any attempted assignment or delegation not in accordance with the terms of this Section 7.03 shall be null and void.

SECTION 7.04. Further Assurances.

From time to time after the date hereof, at the reasonable request of the Reichhold JV Member or DRSL and without further consideration, the other party hereto shall promptly execute and deliver all other reasonable documents and take all further reasonable actions in order to vest in DRSL beneficial and record title to the Reichhold Assets and the Assumed Reichhold Liabilities.

SECTION 7.05. Governing Law.

This Agreement shall be governed by and construed in accordance with the Law of the State of Delaware applicable to contracts made and to be performed in such State, except that no doctrine of choice of law shall be used to apply any Law other than that of such State, and no defense, counterclaim or right of setoff given or allowed by the Laws of any other state or jurisdiction, or arising out of the enactment, modification or repeal of any Law of any state or foreign jurisdiction, shall be interposed in any action hereon.

SECTION 7.06. Consent to Jurisdiction.

Each party hereto hereby irrevocably and unconditionally submits, for itself and its properties, to the non-exclusive jurisdiction of any court of the State of Delaware and any federal court in each case located in Wilmington, Delaware. Each party hereto hereby irrevocably and unconditionally waives any objection or defense that it may have based on improper venue or forum non conveniens to the conduct of any Proceeding in any such courts. A final judgment in any such Proceeding shall be conclusive and may be enforced in any jurisdiction by suit on the judgment or in any other manner provided by Law.

SECTION 7.07. Jury Waiver.

EACH PARTY HERETO HEREBY WAIVES TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF, THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, OR THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT HEREOF OR THEREOF. THIS WAIVER IS INFORMED AND FREELY MADE.

SECTION 7.08. Counterparts; Headings.

This Agreement may be executed in counterparts and both, when so executed and delivered, shall be an original, but the counterparts shall together constitute one and the same instrument. The Article and Section headings and Table of Contents are inserted for convenience only and are not to be construed as part of this Agreement.

SECTION 7.09. Notices.

All notices and other communications hereunder shall be in writing and shall be delivered personally, mailed by certified mail, return receipt requested, postage prepaid, delivered by reliable overnight delivery service (receipt confirmed), or given by telecopy (receipt confirmed), addressed as follows (or, with respect to a party hereto, at such other address as such party shall have furnished to the other party hereto in writing):

Reichhold: Reichhold, Inc.
2400 Ellis Road
Durham, North Carolina 27703
Attention: President
Telecopier No.: 919.990.7869

with copy to: Reichhold, Inc.
2400 Ellis Road
Durham, North Carolina 27703
Attention: General Counsel
Telecopier No.: 919.990.7869

DRSL: Dow Reichhold Specialty Latex LLC
2400 Ellis Road
Suite 100
Durham, North Carolina 27703
Attention: President
Telecopier No: 800.683.5455

with copy to: The Dow Chemical Company
2030 Dow Center
Midland, Michigan 48674
Attention: General Counsel
Telecopier No.: 517.638.9397

with copy to:

King & Spalding
1185 Avenue of the Americas
New York, New York 10036
Attention: Sandra W. Hallmark, Esq.
Charles S. Detrizio, Esq.
Telecopier No.: 212.556.2222

Notices and other communications so delivered personally shall be deemed delivered when actually received. Notices and other communications so sent by certified mail or by reputable overnight air delivery service shall be deemed delivered and received on the first to occur of (x) five Business Days following deposit in the United States mail or one Business Day following delivery of the same to such delivery service, as applicable, (y) written acceptance of delivery by the recipient thereof or (z) written rejection of delivery by the recipient thereof. Notices and other communications so transmitted by telecopier shall be deemed delivered upon telephone or electronic confirmation of receipt. If a notice or other communication is received on a day that is not a Business Day, it shall be deemed received on the next Business Day following such day.

SECTION 7.10. Entire Agreement.

This Agreement, together with the other Transactions Documents and the JV Agreement, collectively constitute the entire agreement and understanding between the parties hereto relating to the transactions contemplated hereby and supersede and take the place of all other agreements and understandings, written or oral, of the parties hereto relating to the transactions contemplated hereby.

SECTION 7.11. Severability.

Except as set forth below, should any provision of this Agreement be declared or determined by any court of competent jurisdiction to be unenforceable or invalid for any reason, the validity of the remaining provisions of this Agreement shall not be affected thereby and the invalid or unenforceable provision shall be deemed not to be a part of this Agreement. If any covenant of this Agreement is determined by any court of law or equity of competent jurisdiction to be unreasonable or unenforceable, in whole or in part, as written, each party hereto hereby consents to and affirmatively requests that such court reform such covenant so as to be reasonable and enforceable and that such court enforce such covenant as reformed. Any such reformed covenant shall be deemed to be part of this Agreement.

SECTION 7.12. Specific Performance.

Each party hereto hereby acknowledges that money damages would not be a sufficient remedy for any breach of this Agreement and that irreparable harm would result if this Agreement were not specifically enforced. Therefore, the rights and obligations of the parties under this Agreement shall be enforceable by a decree of specific performance issued by any court of competent jurisdiction, and appropriate injunctive relief may be applied for and granted

in connection therewith. The right of a party hereto to specific performance shall be in addition to all other legal or equitable remedies available to such party.

SECTION 7.13. Waiver of Bulk Sales Laws.

Each party hereto hereby waives compliance with any applicable bulk sales Law or any similar Law in any applicable bulk sales Law or any similar Law in any applicable jurisdiction in respect of the transactions contemplated by this Agreement.

SECTION 7.14. Cooperation on Tax Matters.

Each party hereto shall cooperate fully, as and to the extent reasonably requested by the other party hereto, in connection with any audit or Proceeding in respect of Taxes. Such cooperation shall include the retention and (upon such other party's request) the provision of Records and information reasonably relevant to any such audit or Proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. In furtherance of the foregoing, each party hereto shall (a) retain all Records that are relevant to the determination of Tax Liabilities pertinent to the Reichhold Assets until the expiration of the applicable statute of limitations, (b) abide by all record retention agreements entered into with any taxing authority or Governmental Authority and (c) give the other party hereto reasonable written notice prior to destroying or discarding any such Records and, if such other party so requests, allow such other party to take possession of such Records.


SECTION 7.15. Transfer Tax.

Promptly following the Closing Date, DRSL shall reimburse Reichhold for 50% of any Transfer Tax payable by Reichhold in accordance with Section 5.1(e) of the JV Agreement.


[Signatures On Next Page]

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed by its officer or representative thereunto duly authorized, as of the date first above written.

**DOW REICHHOLD SPECIALTY
LATEX LLC**

By: 
Name: Jeffrey L. Welker
Title: President

REICHHOLD, INC.

By: 
Name: Gary S. Krall
Title: President and Chief
Operating Officer

NY428743

CONTRIBUTION AGREEMENT

SCHEDULE C – REICHHOLD INTELLECTUAL PROPERTY

REGISTERED TRADEMARKS CONTRIBUTED TO JOINT VENTURE

POLYFREE	U.S.	Reg. No. 2,074,481
SUPERFAST	U.S.	Reg. No. 2,424,038
TYCHEM	U.S.	Reg. No. 789,854
	U.S.	Reg. No. 840,707
	Canada	Reg. No. 150,744
	France	Reg. No. 1,541,491
	Indonesia	Reg. No. 261,882
	Malaysia	Reg. No. M/76633
	Singapore	Reg. No. 74274
	Taiwan	Reg. No. 441498
	Thailand	Reg. No. TM65349
TYCRYL	U.S.	Reg. No. 2,051,095
TYKOTE	U.S.	Reg. No. 1,996,029
TYLAC	U.S.	Reg. No. 740,781
	U.S.	Reg. No. 654,589
	U.S.	Reg. No. 1,453,763
	Canada	Reg. No. 109,287
	Chile	Reg. No. 398,274
	France	Reg. No. 1,290,562
	Gr. Britain	Reg. No. 760913
	Hong Kong	Reg. No. 0250
	Italy	Reg. No. 385340
	Mexico	Reg. No. 238,080
	Taiwan	Reg. No. 433437
	Thailand	Reg. No. TM65684
VYLOX	U.S.	Reg. No. 2,205,594

TRADEMARK APPLICATIONS

BARRIER-PRO	U.S.	S/N 75/858124
NO-ION	U.S.	S/N 76/228128