

TRADEMARK ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Court Order - U.S. Bankruptcy Court, Western District of Wisconsin		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
DEC International, Inc.		12/20/2001	CORPORATION: WISCONSIN
RECEIVING PARTY DATA			
Name:	Facilitator Capital Fund		
Street Address:	5133 West Terrace Drive, Suite 204		
City:	Madison		
State/Country:	WISCONSIN		
Postal Code:	53718		
Entity Type:	LIMITED PARTNERSHIP: WISCONSIN		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	1312221	SANI-MATIC	
CORRESPONDENCE DATA			
Fax Number:	4142735198		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	414-273-3500		
Email:	bgilpin@gklaw.com		
Correspondent Name:	Brian G. Gilpin		
Address Line 1:	780 North Water Street		
Address Line 2:	Godfrey & Kahn, S.C.		
Address Line 4:	Milwaukee, WISCONSIN 53202		
ATTORNEY DOCKET NUMBER:	056372-0005		
NAME OF SUBMITTER:	Brian G. Gilpin		
Signature:	/bgg/		

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Date:

12/13/2012

Total Attachments: 71

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UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WISCONSIN

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In re)	Chapter 11	CLERK U BANKRUPTCY COURT
DEC INTERNATIONAL, INC., <u>et al.</u> ,)	Case No. 01-34752 OF WI CASE NO. _____	
Debtors.)	Jointly Administered	
)	Hon. Robert D. Martin	

ORDER AUTHORIZING (I) SALE OF CERTAIN ASSETS FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES, (II) ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (III) ASSUMPTION OF CERTAIN LIABILITIES

Upon the motion dated November 15, 2001 (the "Sale Motion")¹ of DEC International Inc. ("DEC"), RapidPak, Inc. ("RapidPak," and with DEC, "Sellers") and Select Products, Inc., debtors and debtors in possession in the above-captioned case (collectively, "Debtors"), for, inter alia, entry of an order (this "Sale Order") under sections 105(a), 363, 365, and 1146(c) of title 11, U.S. Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), and Rules 2002, 6004, 6006, and 9014, Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), authorizing (i) Sellers' sale (the "Sale") of substantially all of the assets (the "Subject Assets") related to the businesses (the "Subject Businesses") of Alkar, Sani-Matic and RapidPak, pursuant to and as described in the asset purchase agreement dated November 14, 2001 (as amended by that certain amendment dated December 19, 2001, and as otherwise amended from time-to-time, the "Agreement"),² between Sellers and Facilitator Capital Fund ("Purchaser"), (ii) Seller' assumption and

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion or the Agreement, as the case may be; as to any conflicts with respect to such terms, the meanings contained in the Agreement shall control over those in the Motion.

² A copy of the Agreement, without exhibits, schedules and attachments, is annexed hereto as Exhibit A; the exhibits, schedules and attachments have been filed under seal and are incorporated herein by reference.

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assignment to Purchaser of certain executory contracts and unexpired leases (the "Assumed Contracts"), pursuant to and as described in the Agreement, and (iii) the assumption by Purchaser of certain liabilities of Sellers (the "Assumed Liabilities"), pursuant to and as described in the Agreement; and the Court having entered an order on November 20, 2001 (the "Bidding Procedures Order") approving (i) the Bidding Procedures, (ii) the form and manner of notice of the Sale and the Sale Hearing (as hereinafter defined), (iii) the form and manner of notice of the assumption and assignment of Assumed Contracts and (iv) the Bid Protections; and a hearing on the Sale Motion having been held on December ²⁰14, 2001 (the "Sale Hearing"), at which time all interested parties were offered an opportunity to be heard with respect to the Sale Motion; and the Court having reviewed and considered (i) the Sale Motion, (ii) the objections thereto, if any, (iii) the arguments of counsel made, and the evidence proffered or adduced at the Sale Hearing; and it appearing that the relief requested is in the best interests of Debtors, the estates, creditors and other parties in interest; and upon the record of the Sale Hearing; and after due deliberation thereon; and good cause appearing therefor, it is hereby

FOUND AND DETERMINED THAT:³

A. The Court's exercise of jurisdiction over the Sale Motion and the transactions contemplated by the Agreement is proper pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A)(N). Venue of these cases and the Sale Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

B. The statutory predicates for the relief sought are sections 105, 363 and 365 and 1146(c) of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006 and 9014.

³ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052.

C. As evidenced by the affidavits of service and publication filed with the Court, and based on the representations of counsel at the Hearing, (i) proper, timely, adequate and sufficient notice of the Sale Motion, the Sale Hearing, the Sale, and the assumption and assignment of the Assumed Contracts has been provided in accordance with sections 102(l), 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004 and 9014 and in compliance with the Bidding Procedures Order, (ii) such notice was good and sufficient, and appropriate under the particular circumstances, and (iii) no other or further notice of the Sale Motion, the Sale Hearing, the Sale, or the assumption and assignment of the Assumed Contracts is or shall be required.

D. As demonstrated by (i) the evidence proffered or adduced at the Sale Hearing and (ii) the representations of counsel made at the Sale Hearing, Debtors have marketed the Subject Businesses and conducted the sale process in compliance with the Bidding Procedures Order and the Auction was duly noticed and conducted in a non-collusive, fair and good faith manner.

E. Each Seller (i) has full corporate power and authority to execute the Agreement and all other documents contemplated thereby, and the sale of the Subject Assets by Seller's has been duly and validly authorized by all necessary corporate action of each of Sellers; (ii) has all of the corporate power and authority necessary to consummate the transactions contemplated by the Agreement, (iii) has taken all corporate action necessary to authorize and approve the Agreement and the consummation by such Sellers of the transactions contemplated thereby, and (iv) no consents or approvals, other than those expressly provided for in the Agreement, are required for Sellers to consummate such transactions.

F. Approval of the Agreement and consummation of the Sale at this time are in the best interests of Debtors, their creditors, their estates, and other parties in interest.

G. Debtors have demonstrated both (i) good, sufficient, and sound business purpose and justification and (ii) compelling circumstances for the Sale pursuant to section 363(b) of the Bankruptcy Code prior to, and outside of, a plan of reorganization in that, among other things, absent the Sale the value of the Subject Assets and Subject Businesses will be harmed.

H. A reasonable opportunity to object or be heard with respect to the Sale Motion and the relief requested therein has been afforded to all interested parties, including: (i) all entities known to have expressed an interest in a transaction with respect to the Subject Assets during the past six (6) months; (ii) all entities known to have asserted any liens, claims, encumbrances or interests in or upon the Subject Assets; (iii) all federal, state, and local regulatory or taxing authorities or recording offices which have a reasonably known interest in the relief requested by the Sale Motion; (iv) all non-Debtor parties to the Assumed Contracts; (v) the U.S. Trustee; (vi) the Committee; (vii) the U.S. Attorney's office; (viii) the Internal Revenue Service; and (ix) all parties that have requested notice pursuant to Bankruptcy Rule 2002(m).

I. Purchaser has disclosed that certain members of Sellers' senior management team – including Philip Hinderaker, Larry Hanson and John Jurkowski – have obtained or may obtain equity stakes in Purchaser. Notwithstanding the foregoing, based on evidence presented at the Sale Hearing, Debtors and Purchaser have established that the Agreement was negotiated, proposed and entered into without collusion, in good faith, and from arm's-length bargaining positions. Neither Sellers nor Purchaser have engaged in any conduct that would cause or permit the Agreement to be avoided under section 363(n) of the Bankruptcy Code.

J. Purchaser is a good faith purchaser under section 363(m) of the Bankruptcy Code and, as such, is entitled to all of the protections afforded thereby.

K. After closing (the "Closing") of the Sale, Debtors shall retain a majority of their assets for the purpose of reorganizing their affairs or other disposition in these bankruptcy cases.

L. The consideration provided by Purchaser for the Subject Assets pursuant to the Agreement (i) is fair and reasonable, (ii) is the highest or otherwise best offer for the Subject Assets, (iii) will provide a greater recovery for Debtors' creditors than would be provided by any other practical available alternative, and (iv) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia.

M. The Sale must be approved and consummated promptly in order to preserve the viability of the Subject Businesses as well as Debtors' other businesses as a going concern.

N. The transfer of the Subject Assets to Purchaser will be a legal, valid, and effective transfer of the Subject Assets, and will vest Purchaser with all right, title, and interest of Sellers to the Subject Assets free and clear of all liens, claims, encumbrances and interests, including but not limited to those (A) that purport to give to any party a right or option to effect any forfeiture, modification, right of first refusal, or termination of Sellers' or Purchaser's interest in the Subject Assets, or any similar rights, (B) relating to taxes arising under or out of, in connection with, or in any way relating to the operation of the Subject Businesses prior to Closing, and (C)(i) all mortgages, deeds of trust, security interests, conditional sale or other title retention agreements, pledges, liens, judgments, demands, encumbrances, rights of first refusal or charges of any kind or nature, if any, including, but not limited to, any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership and (ii) all debts arising in any way in connection with any agreements, acts, or failures to act, of any of Debtors or any of Debtors' predecessors or affiliates, claims (as that term is defined in the Bankruptcy Code), obligations,

liabilities, demands, guaranties, options, rights, contractual or other commitments, restrictions, interest and matters of any kind and nature, whether known or unknown, contingent or otherwise, whether arising prior to or subsequent to the commencement of these bankruptcy cases, and whether imposed by agreement, understanding, law, equity or otherwise, including but not limited to claims otherwise arising under doctrines of successor liability to the extent permitted by law (collectively, "Interests").

O. Purchaser would not have entered into the Agreement and would not consummate the transactions contemplated thereby, thus adversely affecting Debtors, their estates, and their creditors, if the sale of the Subject Assets to Purchaser and the assignment of the Assumed Contracts and Assumed Liabilities to Purchaser was not free and clear of all Interests or any kind or nature whatsoever, or if Purchaser would, or in the future could, be liable for any of the interests, including, without limitation, the Excluded Liabilities.

P. Sellers may sell the Subject Assets free and clear of all Interests of any kind or nature whatsoever because, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Those (i) holders of Interests and (ii) non-debtor parties to Assumed Contracts who did not object, or who withdrew their objections, to the Sale or the Sale Motion are deemed to have consented pursuant section 363(f)(2) of the Bankruptcy Code. Those (i) holders of Interests and (ii) non-debtor parties to Assumed Contracts who did object fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code and are adequately protected by having their Interests, if any, attach to the cash proceeds of the Sale ultimately attributable to the property against or in which they claim an Interest.

Q. The sale of the Subject Assets to Purchaser is a prerequisite to Debtors' ability to confirm and consummate a plan or plans of reorganization. The Sale is a sale in contemplation of a plan and, accordingly, a transfer pursuant to section 1146(c) of the Bankruptcy Code, which shall not be taxed under any law imposing a stamp tax or similar tax.

R. Debtors have demonstrated that it is an exercise of their sound business judgment to assume and assign the Assumed Contracts to Purchaser in connection with the consummation of the Sale, and the assumption and assignment of the Assumed Contracts is in the best interests of Debtors, their estates, and their creditors. The Assumed Contracts being assigned to, and the liabilities being assumed by, Purchaser are an integral part of the Subject Businesses being purchased by the Purchaser and, accordingly, such assumption and assignment of Assumed Contracts and liabilities are reasonable, enhance the value of Debtors' estates, and do not constitute unfair discrimination.

S. Debtors have (i) cured, or have provided adequate assurance of cure, of any default existing prior to the date hereof under any of the Assumed Contracts, within the meaning of section 365(b)(1)(A) of the Bankruptcy Code, and (ii) provided compensation or adequate assurance of compensation to any party for any actual pecuniary loss to such party resulting from a default prior to the date hereof under any of the Assumed Contracts, with the meaning of section 365(b)(1)(B) of the Bankruptcy Code, and the Purchaser has provided adequate assurance of their future performance of and under the Assumed Contracts, within the meaning of section 365(b)(1)(C) of the Bankruptcy Code.

T. Approval of the Agreement and assumption and assignment of the Assumed Contracts and consummation of the Sale of the Subject Assets at this time are in the best interests of Debtors, their creditors, their estates and other parties in interest.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:

General Provisions

1. The Sale Motion is granted, as further described herein.
2. All objections to the Sale Motion that have not been withdrawn, waived, or settled, and all reservations of rights included therein, hereby are overruled on the merits.

Approval of the Agreement

3. The Agreement, and all of the terms and conditions thereof, is hereby approved.
4. Pursuant to section 363(b) of the Bankruptcy Code, Sellers are authorized to perform their obligations under and comply with the terms of the Agreement, and consummate the Sale, pursuant to and in accordance with the terms and conditions of the Agreement.

5. Sellers are authorized and directed to execute and deliver, and empowered to perform under, consummate and implement, the Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Agreement, and to take all further actions as may be requested by Purchaser for the purpose of assigning, transferring, granting, conveying and conferring to Purchaser or reducing to possession, the Subject Assets, or as may be necessary or appropriate to the performance of the obligations as contemplated by the Agreement.

6. This Sale Order and the Agreement shall be binding in all respects upon all creditors (whether known or unknown) of any Debtor, all non-debtor parties to the Assumed Contracts, all successors and assigns of Purchaser, Debtors and their affiliates and subsidiaries, and any subsequent trustees appointed in Debtors' chapter 11 cases or upon a conversion to chapter 7 under the Bankruptcy Code and shall not be subject to rejection. Nothing contained in any confirmed chapter 11 plan or in the order confirming any such chapter 11 plan shall conflict with or derogate from the provisions of the Agreement or this Sale Order.

7. The Agreement and any related agreements, documents, or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court provided such modification is not material.

Transfer of Assets

8. Except as expressly permitted or otherwise specifically provided for in the Agreement or this Sale Order, pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, the Subject Assets shall be transferred to Purchaser, and upon consummation of the Agreement shall be, free and clear of all Interests of any kind or nature whatsoever with all such Interests of any kind or nature whatsoever to attach to the net proceeds of the Sale in the order of their priority, with the same validity, force and effect which they now have as against the Subject Assets, subject to any claims and defenses Debtors may possess with respect thereto.

9. Except as expressly permitted or otherwise specifically provided by the Agreement or this Sale Order, all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax, and regulatory authorities, lenders, trade and other creditors, holding Interests of any kind or nature whatsoever against or in Sellers or the Subject Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, senior or subordinated), arising under or out of, in connection with, or in any way relating to, Sellers, the Subject Assets, the operation of the Subject Businesses prior to Closing, or the transfer of the Subject Assets to Purchaser, hereby are forever barred, estopped, and permanently enjoined from asserting against Purchaser, its successors or assigns, its property, or the Subject Assets, such persons' or entities' Interests.

10. Nothing in the Order or the Agreement shall be construed to release or nullify any liability to any governmental entity under police or regulatory requirements that any entity would be subject to as the owner or operator of property after the date of entry of this Sale Order.

11. The transfer of the Subject Assets to Purchaser pursuant to the Agreement constitutes a legal, valid, and effective transfer of the Subject Assets, and shall vest Purchaser with all right, title, and interest of Sellers in and to the Subject Assets free and clear of all Interests of any kind or nature whatsoever.

12. If any person or entity that has filed financing statements, mortgages, mechanic's liens, lis pendens, or other documents or agreements evidencing Interests in Sellers or the Subject Assets shall not have delivered to Debtors prior to Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all Interests which the person or entity has with respect to Sellers or the Subject Assets or otherwise, then (a) Debtors are hereby authorized and directed to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Subject Assets and (b) Purchaser is hereby authorized to file, register, or otherwise record a certified copy of this Sale Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all Interests in the Subject Assets of any kind or nature whatsoever.

Assumption and Assignment to
Purchaser of Assumed Contracts

13. Pursuant to sections 105(a) and 365 of the Bankruptcy Code, and subject to and conditioned upon Closing of the Sale, Sellers' assumption and assignment to the Purchaser, and Purchaser's assumption on the terms set forth in the Agreement, of the Assumed Contracts is hereby approved, and the requirements of section 365(b)(1) of the Bankruptcy Code with respect thereto are hereby deemed satisfied.

14. Sellers are hereby authorized and directed in accordance with sections 105(a) and 365 of the Bankruptcy Code to (a) assume and assign to Purchaser, effective upon Closing of the

Sale, the Assumed Contracts free and clear of all Interests of any kind or nature whatsoever and (b) execute and deliver to Purchaser such documents or other instruments as may be necessary to assign and transfer the Assumed Contracts and Assumed Liabilities to Purchaser.

15. With respect to the Assumed Contracts: (a) the Assumed Contracts shall be transferred and assigned to, and following closing of the Sale remain in full force and effect for the benefit of, Purchaser in accordance with their respective terms, notwithstanding any provision in any such Assumed Contract (including those of the type described in sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibits, restricts, or conditions such assignment or transfer and, pursuant to section 365(k) of the Bankruptcy Code, Sellers shall be relieved from any further liability with respect to the Assumed Contracts after such assignment to and assumption by Purchaser; (b) each Assumed Contract is an executory contract of Sellers under section 365 of the Bankruptcy Code; (c) Sellers may assume each Assumed Contract in accordance with section 365 of the Bankruptcy Code; (d) Sellers may assign each Assumed Contract in accordance with sections 363 and 365 of the Bankruptcy Code, and any provisions in any Assumed Contract that prohibit or condition the assignment of such Assumed Contract or allow the party to such Assumed Contract to terminate, recapture, impose any penalty, condition renewal or extension, or modify any term or condition upon the assignment of such Assumed Contract, constitute unenforceable anti-assignment provisions which are void and of no force and effect; (e) all other requirements and conditions under section 363 and 365 of the Bankruptcy Code for the assumption by Sellers and assignment to Purchaser of each Assumed Contract have been satisfied and (f) upon Closing, in accordance with sections 363 and 365 of the Bankruptcy Code, Purchaser shall be fully and irrevocably vested in all right, title and interest of each contract.

16. All defaults or other obligations of Sellers under the Assumed Contracts arising or accruing prior to Closing under the Agreement (without giving effect to any acceleration clauses or any default provisions of the kind specified in section 365(b)(2) of the Bankruptcy Code) shall be cured by Debtors at Closing of the Sale or as soon thereafter as practicable, and Purchaser shall have no liability or obligation arising or accruing prior to the date of Closing, except as otherwise expressly provided in the Agreement.

17. Each non-Debtor party to a Assumed Contract hereby is forever barred, estopped, and permanently enjoined from asserting against Debtors or Purchaser, or the property of either of them, any default existing as of Closing of the Sale.

18. Except as provided in the Agreement or this Sale Order, after Closing, Debtors and their estates shall have no further liabilities or obligations with respect to any assumed liabilities and all holders of such claims are forever barred and estopped from asserting such claims against Debtors, their successors or assigns, their property or their assets or estates.

Additional Provisions

19. The consideration provided by Purchaser for the Subject Assets shall be deemed to constitute reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia.

20. The consideration provided by Purchaser for the Subject Assets is fair and reasonable and may not be avoided under section 363(n) of the Bankruptcy Code.

21. Upon Closing, each of Debtors' creditors is authorized and directed to execute such documents and take all other actions as may be necessary to release its Interests in the Subject Assets, if any, as such Interests may have been recorded or may otherwise exist.

22. This Sale Order (a) shall be effective as a determination that, as of Closing, all Interests of any kind or nature whatsoever existing as to Sellers or the Subject Assets prior to

Closing have been unconditionally released, discharged and terminated (other than surviving obligations under the terms of the Agreement), and that the conveyances described herein have been effected, and (b) shall be binding upon and shall govern the acts of all entities including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Subject Assets.

23. Except as otherwise expressly provided in the Agreement, Purchaser shall have no obligation to pay wages, bonuses, severance pay, benefits (including, without limitation, contributions or payments on account of any under-funding with respect to any and all pension plans) or any other payment to employees of Sellers; and Purchaser shall have no liability with respect to any collective bargaining agreement, employee pension plan, employee welfare or retention, benefit and/or incentive plan to which any Debtors are a party and relating to the Subject Businesses (including, without limitation, arising from or related to the rejection or other termination of any such agreement), and Purchaser shall in no way be deemed a party to or assignee of any such agreement, and no employee of Purchaser shall be deemed in any way covered by or a party to any such agreement, and all parties to any such agreement are hereby enjoined from asserting against Purchaser any and all claims arising from or relating to such agreement. Any and all notices, if any, required to be given to Sellers' employees pursuant to the Workers Adjustment and Relocation Adjustment Act (the "WARN Act"), or any similar

federal or state law, shall be the sole responsibility and obligation of Sellers and Purchaser shall have no responsibility or liability therefore.

24. Any amounts that become payable by Sellers to Purchaser pursuant to the Agreement (and related agreements executed in connection therewith) (a) shall constitute administrative expenses of Debtors' estate under sections 503(b) and 507(a)(1) of the Bankruptcy Code and (b) shall be paid by Sellers in the time and manner provided for in the Agreement (and such related agreements) without further order of the Court.

25. Each and every federal, state, and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement.

26. All entities who are presently, or as of Closing may be, in possession of some or all of the Subject Assets are hereby directed to surrender possession to Purchaser at Closing.

27. Except for the Assumed Liabilities or as expressly permitted or otherwise specifically provided for in the Agreement or this Sale Order, Purchaser shall have no liability or responsibility for any liability or other obligation of Sellers arising under or related to the Subject Assets other than for the Assumed Liabilities. Without limiting the generality of the foregoing, and except as otherwise specifically provided herein and in the Agreement, to the extent allowed by law, Purchaser shall not be liable for any claims against Debtors or any of their predecessors or affiliates, and Purchaser shall have no successor or vicarious liabilities of any kind or character including but not limited to any theory of antitrust, environmental, successor or transferee liability, labor law, de facto merger, or substantial continuity, whether known or unknown as of Closing, now existing or hereafter arising, whether fixed or contingent, with respect to Debtors or any obligations of Debtors arising prior to Closing, including, but not

limited to, liabilities on account of any taxes arising, accruing, or payable under, out of, in connection with, or relating to the operation of the Subject Businesses prior to Closing.

28. Under no circumstances shall Purchaser be deemed a successor of or to Debtors for any Interest against or in Debtors or the Subject Assets of any kind or nature whatsoever. The sale, transfer, assignment and delivery of the Subject Assets shall not be subject to any Interests, and Interests of any kind or nature whatsoever shall remain with, and continue to be obligations of, Debtors. All persons holding Interests against or in Debtors or the Subject Assets of any kind or nature whatsoever (including but not limited to, Debtors and/or their respective successors, including any trustees thereof, creditors, employees, unions, former employees and shareholders, administrative agencies, governmental units, secretaries of state, federal, state and local officials, maintaining any authority relating to any environmental, health and safety laws, and their respective successors or assigns) shall be, and hereby are, forever barred, estopped, and permanently enjoined from asserting, prosecuting, or otherwise pursuing such Interests of any kind or nature whatsoever against Purchaser, its property, its successors and assigns, or the Subject Assets, as an alleged successor or otherwise, with respect to any Interest of any kind or nature whatsoever such person or entity had, has, or may have against or in Debtors, their estates, officers, directors, shareholders, or the Subject Assets. Following Closing, no holder of an Interest in Debtors shall interfere with Purchaser's title to or use and enjoyment of the Subject Assets based on or related to such Interest, or any actions that Debtors may take in these cases.

29. The Court shall retain jurisdiction to enforce and implement the terms and provisions of the Agreement, all amendments thereto, any waivers and consents thereunder, and of each of the agreements executed in connection therewith in all respects, including, but not limited to, retaining jurisdiction to (a) compel delivery of the Subject Assets to Purchaser,

(b) compel delivery of the purchase price or performance of other obligations owed to Sellers, (c) resolve any disputes arising under or related to the Agreement, except as otherwise provided therein, (d) interpret, implement, and enforce the provisions of this Sale Order, and (e) protect Purchaser against (i) any of the Excluded Liabilities or (ii) any Interests in Debtors or the Subject Assets, of any kind or nature whatsoever, attaching to the proceeds of the Sale.

30. The transactions contemplated by the Agreement are undertaken by Purchaser in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale to Purchaser (including the assumption and assignment of any of the Assumed Contracts), unless such authorization is duly stayed pending such appeal. Purchaser is a purchaser in good faith of the Subject Assets, and is entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.

31. The terms and provisions of the Agreement and this Sale Order shall be binding in all respects upon, and shall inure to the benefit of, Debtors, their estates, and their creditors, Purchaser, and its respective affiliates, successors and assigns, and any affected third parties including, but not limited to, all persons asserting Interest in the Subject Assets to be sold to Purchaser pursuant to the Agreement, notwithstanding any subsequent appointment of any trustee(s) under any chapter of the Bankruptcy Code, as to which trustee(s) such terms and provisions likewise shall be binding.

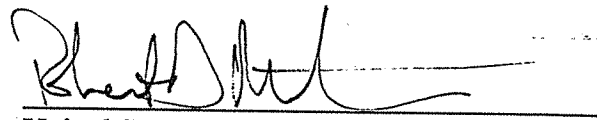
32. The failure specifically to include any particular provisions of the Agreement in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Agreement be authorized and approved in its entirety.

33. The Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto, in writing, and in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment or supplement does not have a material adverse effect on Debtors' estates.

~~34. The transfer of the Subject Assets pursuant to the Sale is a transfer pursuant to section 1146(c) of the Bankruptcy Code, and accordingly shall not be taxed under any law imposing a stamp tax or a sale, transfer, or any other similar tax. Each and every federal, state and local government agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transfer of any of the Subject Assets, all without imposition or payment of any stamp tax, transfer tax, or similar tax.~~

35. As provided by Bankruptcy Rules 6004(g) and 6006(d), this Sale Order shall not be stayed for 10 days after entry and shall be effective immediately upon entry.

Dated: Madison, Wisconsin
December 20, 2001


United States Bankruptcy Judge

34. Upon Closing, Sellers are authorized without further order of Court to pay to the lenders the net proceeds of the Sale.

ASSET PURCHASE AGREEMENT

DATED NOVEMBER 14, 2001

By and Among

**DEC INTERNATIONAL, INC.,
DEBTOR IN POSSESSION**

**RAPIDPAK, INC.,
DEBTOR IN POSSESSION**

AND

**FACILITATOR CAPITAL FUND,
LIMITED PARTNERSHIP**

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is made and entered into as of this 14th day of November, 2001, by and among FACILITATOR CAPITAL FUND, a Wisconsin limited partnership (the "Buyer"), and DEC INTERNATIONAL, INC., DEBTOR IN POSSESSION, a Wisconsin corporation ("DEC") and RAPIDPAK, INC., DEBTOR IN POSSESSION, a Wisconsin corporation ("RapidPak"). DEC and RapidPak are sometimes individually referred to herein as a "Seller" and collectively as the "Sellers." Except as otherwise indicated herein, capitalized terms used herein are defined in Article XII hereof.

WITNESSETH:

WHEREAS, DEC operates a division under the name "Sani-Matic" that designs and manufactures sanitation equipment and sanitation systems ("Sani-Matic"); and

WHEREAS, DEC also operates a division under the name "Alkar" that designs and manufactures processing ovens, chillers and continuous cook/chill systems ("Alkar"); and

WHEREAS, RapidPak is a wholly owned subsidiary of DEC and designs and manufactures horizontal thermoform, fill, and seal packaging machines; and

WHEREAS, Sani-Matic, Alkar and RapidPak are sometimes individually referred to herein as a "Subject Business" and collectively as the "Subject Businesses;" and

WHEREAS, on August 17, 2001, DEC and RapidPak each voluntarily commenced proceedings for reorganization under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. 101 et seq. (the "Bankruptcy Code") by filing their petitions for reorganization (the "Petitions") with the United States Bankruptcy Court for the Western District of Wisconsin (the "Bankruptcy Court"); and

WHEREAS, DEC and RapidPak have determined at this point in their Chapter 11 cases that it is in the best interests of its creditors to sell the Subject Businesses; and

WHEREAS, the Buyer desires to purchase from the Sellers the Subject Businesses and substantially all of the assets employed by the Sellers in connection with the Subject Businesses and the Sellers desire to sell to the Buyer, pursuant to Section 363 of the Bankruptcy Code, the Subject Businesses and such assets, in each case on the terms and conditions set forth herein.

NOW, THEREFORE, the Buyer and the Sellers, in consideration of the mutual promises hereinafter set forth, and subject to the approval of the Bankruptcy Court, do hereby promise and agree as follows:

TRADEMARK

REEL: 004918 FRAME: 0799

ARTICLE I

Purchase of Assets

1.1. Subject Assets. Subject to the terms and conditions set forth in this Agreement, the Sellers agree to sell to the Buyer and the Buyer agrees to purchase from the Sellers at the Closing all of the assets owned or used by the Sellers in connection with the operation of the Subject Businesses other than the Excluded Assets, including, without limitation, the following:

- (a) all accounts receivable of the Sellers relating to the Subject Businesses other than intercompany accounts receivable (the "Accounts Receivable");
- (b) all customer deposit escrow accounts of the Subject Businesses;
- (c) all prepaid items, expenses and accruals of the Subject Businesses;
- (d) all inventories of the Subject Businesses, wherever located, including, without limitation, raw materials, work-in-process and finished goods (the "Inventory");
- (e) all tangible assets of every kind and description, including, without limitation, all fixed assets, machinery, equipment, tools, tooling, molds, leasehold improvements, fixtures, furniture, furnishings, vehicles, computer hardware and software, servers, modems, data processing equipment and other items of similar character relating to the Subject Businesses, wherever located (the "Equipment");
- (f) subject to Paragraph 2.5, below, all of the real estate, fixtures and improvements, including all rights, privileges and easements appurtenant thereto and owned by the Sellers relating to the Subject Businesses and described on Schedule 1.1(f) (the "Purchased Real Estate");
- (g) all supplies, packaging materials, marketing and sales literature, advertising materials, catalogues, consumable materials and other items of similar character used in the operation of the Subject Businesses;
- (h) all books, records, manuals and other materials of the Subject Businesses, including, without limitation, all sales, manufacturing and customer records, personnel and payroll records, accounting records, purchase records, price lists, correspondence, quality control records and all research and development files, wherever located (except each Seller's corporate minute book, stock ownership records and tax returns) (the "Records");
- (i) all customer lists and supplier lists of the Subject Businesses;
- (j) all logos, product specifications, blue-prints, drawings, formulae, patents, patent applications, domain name addresses, trade names, trademarks, trademark registrations and any applications therefor, copyrights, copyright registrations and applications therefor, whether issued or pending including, without limitation, these items

listed on Schedule 1.1(j) and all inventions, improvements, manufacturing know-how, trade secrets and technical knowledge, intangible assets relating to web sites, and all other similar interests relating to the operation of the Subject Businesses to which the Sellers have any right of ownership or use other than any logos or domain names for DEC or any of its subsidiaries or divisions other than the Subject Businesses;

(k) all of the Sellers' right, title and interest in and to the names "RapidPak, Incorporated," "Alkar," "Sani-Matic" and any derivatives thereof employed in the Subject Businesses;

(l) the goodwill of the Subject Businesses;

(m) to the extent their transfer is permitted by Law, all governmental licenses, permits, approvals, license applications and product registrations used in the operation of the Subject Businesses and, to the extent permitted by law, the benefit of those governmental licenses, permits, approvals, license applications and product registrations used in the operation of the Subject Businesses which are not transferable;

(n) all of the Sellers' right, title and interest in, to and under those purchase orders, sales orders, licenses, supply agreements, leases and other agreements of the Subject Businesses set forth on Schedule 1.1(n) (the "Assumed Contracts") including, without limitation, any right to receive payment for products sold or services rendered pursuant to such contracts and to assert claims and to take other rightful actions in respect of breaches, defaults and other violations of such contracts and otherwise;

(o) to the extent such items are not related to the Excluded Assets or Excluded Liabilities, all rights to causes of action, lawsuits, judgments, claims and demands of any nature available to or being pursued by the Sellers with respect to the Subject Businesses or the ownership, use, function or value of any Subject Asset, whether arising by way of counterclaim or otherwise;

(p) to the extent such items are not related to the Excluded Assets or Excluded Liabilities, all guarantees, warranties, indemnities and similar rights in favor of the Sellers with respect to any Subject Asset, and all claims, deposits, unemployment compensation account balances of RapidPak to the extent transferable, refunds, rebates, rights of recovery, rights of recoupment and other rights of action against third parties of the Sellers relating to the Subject Businesses; provided, that the Buyer shall be responsible for the payment of any deductibles required to be paid in connection with the exercise of any such rights.

(q) to the extent their transfer is permitted by Law, all of the Sellers' rights in, to and under any Assumed Contract with any of the current and former employees, consultants, agents, representatives, customers, suppliers, vendors or otherwise, of the Subject Businesses regarding non-competition, non-solicitation, and/or confidentiality of trade secrets, proprietary or other information; and

(r) to the extent such items are transferable, any and all other rights and assets owned by the Sellers and/or used by the Sellers in the operation of the Subject Businesses, including all rights of the Sellers to conduct the Subject Businesses as it exists at the Closing, including the right to pursue orders resulting from quotations to customers outstanding at the Closing, but excluding the Excluded Assets.

All of the asset being purchased by the Buyer described in this Section 1.1 are hereinafter referred to as the "Subject Assets."

1.2. Excluded Assets. Notwithstanding the provisions of Paragraph 1.1, the Subject Assets shall not include the following (collectively, the "Excluded Assets"): (i) any cash or cash equivalents of the Sellers; (ii) any prepaid items or expenses of the Sellers, the benefit of which cannot be transferred to or utilized by the Buyer; (iii) any capital stock or other equity interests or investments in any Seller; (iv) that certain Key Executive Employment and Severance Agreement dated May 18, 2001, by and between DEC and Philip Hinderaker (the "Hinderaker Agreement"); (v) that certain Key Executive Employment and Severance Agreement dated June 18, 2001, by and between DEC and Larry Hanson (the "Hanson Agreement"); (vi) any intercompany accounts receivable of the Sellers; (vii) the Sellers' corporate minute book, stock ownership records and tax returns; (viii) any tax refunds to which the Sellers may be entitled; (ix) contracts other than the Assumed Contracts; and (x) all unemployment compensation account balances of DEC.

ARTICLE II

Closing; Purchase Price

2.1. Closing. The Closing shall be held at the offices of LaFollette Godfrey & Kahn, One East Main Street, Madison, Wisconsin, at 10:00 a.m. on the eleventh (11th) day after the entry of the order of the Bankruptcy Court approving this Agreement, the purchase and sale of the Subject Assets free and clear of all liens, claims and encumbrances other than the Permitted Liens and Permitted Real Estate Encumbrances, the assignment and assumption of the Assumed Contracts, and all other transactions contemplated herein, which order shall be final and non-appealable, or at such other time and/or place as the Sellers and the Buyer shall mutually agree.

2.2. Purchase Price. The purchase price for the Subject Assets (the "Purchase Price") shall be an amount equal to Fourteen Million Five Hundred Thousand Dollars (\$14,500,000) plus the assumption of the Assumed Liabilities as provided in Article III, below.

2.3. Payment of Purchase Price. At the Closing, the Buyer shall pay to the Sellers the Purchase Price as follows:

(a) the Buyer shall deposit an amount equal to One Million Dollars (\$1,000,000) (the "Escrowed Amount") into an interest-bearing escrow account in accordance with the terms and conditions of an escrow agreement in the form attached hereto as Exhibit 2.4(a) (the "Escrow Agreement");

(b) the Buyer shall pay to the Sellers, by wire transfer to such bank account(s) designated in writing by the Sellers, an amount equal to the Purchase Price less the Escrowed Amount (the "Closing Cash Payment"); and

(c) the Buyer shall assume the Assumed Liabilities.

2.4. Allocation of Purchase Price. The Purchase Price shall be allocated among the Subject Assets and the noncompetition provisions set forth in Article X, below according to the mutual agreement of the parties as set forth in Schedule 2.4. The Buyer and the Sellers shall make all required submissions to governmental agencies, including the filing of all tax returns, on a basis consistent with such allocation unless there is a "determination," as such term is defined in Section 1313(a) of the Code that requires a different allocation.

2.5. Sani-Matic Property. Notwithstanding anything to the contrary set forth herein, in the event that the Sellers are unable to convey the fee simple estate in the land (together with the improvements thereon and the fixtures attached to such improvements) commonly known as 1915 (assessed as 1911) Stoughton Road, Madison, Wisconsin, substantially as described by the lines demarcated as Area B on the survey and aerial photograph attached to Schedule 2.5 or as may otherwise be agreed upon by the Buyer and the Sellers (the "Sani-Matic Property") by virtue of its inability to obtain all necessary approvals of and/or completing all related procedures in connection with a certified survey map, a subdivision or any similar or alternative method of eliminating any existing legal impediments to a conveyance of the fee simple estate to the Sani-Matic Property, the Sellers and the Buyer shall nonetheless consummate the transactions contemplated by this Agreement (subject to satisfaction or waiver of the conditions contained in Article IV hereof) and in lieu of conveying the Sani-Matic Property to the Buyer at Closing, DEC and Buyer shall enter into a triple net lease whereby DEC shall lease the Sani-Matic Property to the Buyer commencing on the Closing Date. Such lease shall (i) be for a term of ninety-nine years, (ii) provide for a fixed rent of \$1 per year, (iii) require DEC to use its best efforts to pursue to completion a reasonable mutually agreeable procedure for eliminating the applicable legal impediment to a conveyance of the fee simple estate and, promptly upon completion of such procedure, deliver to the Buyer a quit claim deed (conforming in form and substance to the requirements for the other deeds delivered hereunder) to the Sani-Matic Property to the Buyer (at which time the lease shall automatically terminate), along with all easements from DEC reasonably requested by the Buyer to operate Sani-Matic after the Closing Date free and clear of all liens, claims, encumbrances and security interests whatsoever other than Permitted Real Estate Encumbrances, (iv) allow the Buyer to participate and provide assistance to the Sellers in connection with the Sellers' efforts to eliminate the applicable legal impediment to a conveyance of the fee simple estate, and (v) set forth such other terms and conditions as shall be reasonably acceptable to the Sellers and the Buyer. Notwithstanding the foregoing, in the event that the fee simple estate to the Sani-Matic Property is not conveyed to the Buyer by the Sellers by the earliest of (A) May 15, 2002, in the event that the Planning Commission for the City of Madison, Wisconsin (the "Planning Commission") shall have approved the use of a certified survey map or any other method (other than the subdivision plat contemplated in clause (B) hereof) for eliminating any existing legal impediments to a conveyance of the fee simple estate to the Sani-Matic Property, (B) July 31, 2001, in the event that the Planning Commission shall have required the use of a subdivision plat for eliminating any existing legal impediments to a conveyance of the

fee simple estate to the Sani-Matic Property, or (C) thirty (30) days following the conversion of the proceedings before the Bankruptcy Court to a case under Chapter 7 of the Bankruptcy Code, then the Buyer shall be entitled to withdraw Five Hundred Thousand Dollars (\$500,000) from the Escrowed Amount in accordance with the Escrow Agreement; *provided, however*, that in the event that the Planning Commission provides that the Sellers may only convey to the Buyer a portion of the Sani-Matic Property that does not substantially conform with the lines demarcated as Area B on the survey and aerial photograph attached to Schedule 2.5 but which is sufficient for the operation of the business of Sani-Matic as conducted as of the Closing Date, the Buyer shall only be entitled to withdraw from the Escrowed Amount (in accordance with the Escrow Agreement) an amount equal to the reasonable fair market value of that area of land which is depicted as part of the Sani-Matic Property on the survey and aerial photograph attached to Schedule 2.5, but which is not actually conveyed to the Buyer.

ARTICLE III

Assumption of Liabilities

3.1. Liabilities Being Assumed. As partial consideration for the Subject Assets, the Buyer shall assume and perform the following liabilities (the "Assumed Liabilities") of the Sellers:

(a) all of the accrued expenses of the Subject Businesses set forth on Schedule 3.1 (a) arising in the ordinary course of business, and with respect to all employment related accrued expenses, only those related to Continuing Employees;

(b) all customer deposits of the Subject Businesses arising in the ordinary course of business;

(c) the liabilities and obligations of the Sellers under the Assumed Contracts which accrued on or before the Closing Date and all costs related to curing any pre-Closing defaults under such Assumed Contracts;

(d) the liabilities and obligations of the Sellers under the Assumed Contracts which accrue after the Closing Date; and

(e) all product warranty claims of the Subject Businesses arising in the ordinary course.

3.2. Liabilities Not Being Assumed. Notwithstanding anything contained herein to the contrary, the Assumed Liabilities shall not include the following (the "Excluded Liabilities"):

(a) any liability of the Sellers for Taxes, other than Tax liabilities and obligations included within the Assumed Liabilities;

(b) any accrued liabilities of the Sellers for brokers', attorneys' or accountants' fees incurred in connection with the transactions contemplated herein or any other expenses of the Sellers relating hereto (including those described in Paragraph 14.1).

below), including, without limitation, any fees and/or expenses payable by the Sellers to KPMG;

- (c) any liabilities or obligations of the Sellers arising under this Agreement;
- (d) any liabilities or obligations of the Sellers arising with respect to current employees and/or former employees (including all retirees) of the Subject Businesses under any Plan including, without limitation, any defined benefit program, deferred compensation arrangements, profit sharing plans, the Hanson Agreement and the Hinderaker Agreement, other than payroll due or to become due to the Continuing Employees, except as specifically set forth on Schedule 3.1(a);
- (e) any liabilities or obligations of the Sellers for dividends or other distributions to their respective shareholders (whether for taxes or otherwise);
- (f) any notes payable;
- (g) any intercompany accounts payable;
- (h) any liabilities or obligations of the Sellers relating in any way to the Excluded Assets;
- (i) any liabilities or obligations of the Sellers (whether incurred in the ordinary course of business or otherwise) which are not specifically assumed by the Buyer hereunder; and
- (j) any pre-Petition or post-Petition trade accounts payable of the Sellers.

ARTICLE IV

Conditions Precedent to Closing

4.1. Conditions Precedent to the Buyer's Obligation. The obligation of the Buyer to consummate the transactions contemplated herein is subject to the satisfaction as of the Closing of the following conditions:

(a) The representations and warranties of the Sellers made in this Agreement shall be true and correct in all material respects as of the date hereof and on and as of the Closing, as though made on and as of the Closing Date; the Sellers shall have performed in all material respects the covenants of the Sellers contained in this Agreement required to be performed on or prior to the Closing; and the Sellers shall each have delivered to the Buyer a certificate dated the Closing Date and signed by an authorized officer of each Seller confirming the foregoing. The statements contained in such certificates shall be a warranty of the Sellers, which shall survive the Closing for the period provided in Paragraph 5.24, below.

(b) There shall not be in effect an injunction or restraining order issued by a court of competent jurisdiction in an action or any pending or threatened legal proceeding

against the consummation of the transactions contemplated by this Agreement that is reasonably likely to have a Material Adverse Effect.

(c) The Buyer shall be reasonably satisfied as to the results of an Environmental Audit and the examination and due diligence review referred to in Paragraph 6.1 hereof, including, without limitation, the review of title, condition and permitted uses of the Subject Assets and the Real Estate.

(d) Between the date hereof and the Closing Date, there shall be no material adverse change in the Subject Businesses or Subject Assets of the Sellers.

(e) The Buyer shall have entered into employment, non-competition, non-solicitation, and/or confidentiality arrangements, each in a form satisfactory to the Buyer, with the key employees of the Subject Businesses, and employment and equity arrangements, each in a form satisfactory to the Buyer, with the executive management of the Subject Businesses, including, without limitation, Philip Hinderaker.

(f) The Bankruptcy Court shall have approved this Agreement, the purchase and sale of the Subject Assets free and clear of all liens, claims and encumbrances other than the Permitted Liens and Permitted Real Estate Encumbrances, the assignment and assumption of the Assumed Contracts, and all other transactions contemplated herein by entering an order, in a form reasonably satisfactory to the Buyer, which order shall become final and non-appealable no later than January 14, 2002.

(g) The Sellers shall have delivered to the Buyer the following:

(i) A certificate from an officer of each Seller, in a form satisfactory to the Buyer, setting forth the resolutions of the Board of Directors of each Seller, as the case may be, authorizing the execution of this Agreement and all agreements, documents and instruments to be executed in connection herewith and the taking of any and all actions deemed necessary or advisable to consummate the transactions contemplated herein or therein.

(ii) Quit claim deeds, bills of sale, general assignments, specific assignments of Intellectual Property, certificates of title for vehicles owned by the Sellers and used by the Subject Businesses, and such other instruments of conveyance as the Buyer shall reasonably require, in forms reasonably satisfactory to the Buyer, duly executed by the Sellers, to convey to the Buyer the Subject Assets and the Purchased Real Estate.

(iii) An assignment and assumption agreement, in a form reasonably satisfactory to Buyer and Sellers, pursuant to which the Sellers assign to the Buyer and the Buyer assumes from the Sellers, all of the Sellers' right, title and interest in, to and under the Assumed Contracts and the Buyer assumes the Assumed Liabilities (the "Assignment and Assumption Agreement"), duly executed by the Sellers.

(iv) An opinion from Kaye Scholer LLP, legal counsel to the Sellers, dated as of the Closing Date, in the form attached hereto as Exhibit 4.1(g)(iv).

(v) The Escrow Agreement duly executed by the Sellers.

(vi) Appropriate executed originals of an amendment to RapidPak's Articles of Incorporation changing its name to a name that is substantially different from and not deceptively similar thereto. Such executed document(s) shall be in such number and in such form as is required for filing with the applicable governmental office. RapidPak shall also provide checks in appropriate amounts necessary for the filing and recording of the document(s) referred to in this Paragraph 4.1(g)(vi).

(vii) Physical possession of all of the Subject Assets.

(viii) Duly executed satisfactions, termination statements and/or releases, in forms reasonably satisfactory to the Buyer, to the extent required to release any existing liens, claims and encumbrances other than the Permitted Liens and Permitted Real Estate Encumbrances.

(ix) Certificates of good standing for each of the Sellers issued as of a recent date by the Department of Financial Institutions of Wisconsin.

Notwithstanding the foregoing, the conditions set forth in Paragraphs 4.1(c) and 4.1(e), above, shall expire at 12:01 a.m. Central Standard Time on the second (2nd) business day prior to the hearing by the Bankruptcy Court on the final approval of this Agreement, the purchase and sale of the Subject Assets free and clear of all liens, claims and encumbrances other than the Permitted Liens and Permitted Real Estate Encumbrances, the assignment and assumption of the Assumed Contracts, and all other transactions contemplated herein.

4.2. Conditions Precedent to the Sellers' Obligation. The obligation of the Sellers to consummate the transactions contemplated herein is subject to the satisfaction as of the Closing of the following conditions:

(a) The representations and warranties of the Buyer made in this Agreement shall be true and correct in all material respects as of the date hereof and on and as of the Closing, as though made on and as of the Closing Date; the Buyer shall have performed in all material respects the covenants of the Buyer contained in this Agreement required to be performed on or prior to the Closing; and the Buyer shall have delivered to the Sellers a certificate dated the Closing Date and signed by an authorized representative of the Buyer confirming the foregoing. The statements contained in such certificate shall be a warranty of the Buyer, which shall survive the Closing for the period provided in Paragraph 7.5, below.

(b) There shall not be in effect an injunction or restraining order issued by a court of competent jurisdiction in an action or any pending or threatened legal proceeding

against the consummation of the transactions contemplated by this Agreement that is reasonably likely to have a Material Adverse Effect.

(c) The Bankruptcy Court shall have approved this Agreement, the purchase and sale of the Subject Assets free and clear of all liens, claims and encumbrances other than the Permitted Liens and Permitted Real Estate Encumbrances, the assignment and assumption of the Assumed Contracts, and all other transactions contemplated herein by entering an order, in a form reasonably satisfactory to the Sellers, which order shall be final and non-appealable no later than January 31, 2002.

(d) The Hinderaker Agreement and the Hanson Agreement shall have been terminated or otherwise modified in a manner satisfactory to the Sellers by 12:01 a.m. Central Standard Time on the second (2nd) business day prior to the hearing by the Bankruptcy Court on the final approval of this Agreement, the purchase and sale of the Subject Assets free and clear of all liens, claims and encumbrances other than the Permitted Liens and Permitted Real Estate Encumbrances, the assignment and assumption of the Assumed Contracts, and all other transactions contemplated herein.

(e) The Buyer shall have delivered to the Sellers, the following:

- (i) The Closing Cash Payment pursuant to Paragraph 2.3.
- (ii) The Assignment and Assumption Agreement, duly executed by the Buyer.
- (iii) The Escrow Agreement, duly executed by the Buyer.
- (iv) A certificate from the Buyer, in a form reasonably satisfactory to the Sellers, setting forth the resolutions of the general partner of the Buyer authorizing the execution of this Agreement, and all agreements, documents and instruments to be executed in connection herewith and the taking of any and all actions deemed necessary or advisable to consummate the transactions contemplated herein or therein.

ARTICLE V

Warranties and Representations of the Sellers

The Sellers hereby jointly and severally warrant and represent to the Buyer, which warranties and representations shall survive the Closing for the period set forth in Paragraph 5.24, below, and shall be subject to the provisions of Paragraphs 5.25 and 11.4 below, as follows:

5.1. Corporate Matters. The Sellers are corporations duly incorporated, validly existing and in good standing under the laws of the State of Wisconsin. Each Seller has the power and authority to own or lease the properties used in connection with the Subject Businesses and to carry on all business activities now conducted by the Subject Businesses. Each Seller is duly qualified and in good standing in each jurisdiction in which the nature of the

Subject Businesses or the ownership, leasing or holding of the Subject Assets makes such qualification necessary (collectively, the "Foreign Qualifications") except where the failure to be so qualified would not individually or in the aggregate have a Material Adverse Effect. Set forth on Schedule 5.1(a) is a true, complete and correct list of all of the Foreign Qualifications. Subject to Bankruptcy Court approval, each Seller has the power and authority to enter into this Agreement and the Ancillary Agreements and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement and the Ancillary Agreements to which the Sellers are a party have been approved by the Board of Directors of each of the Sellers and, subject to Bankruptcy Court approval, constitute valid and legally binding obligations of the Sellers, enforceable against each of them in accordance with their respective terms except as their enforceability may be limited by bankruptcy, insolvency or other similar Laws affecting the enforcement of creditors' rights in general and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or in law). Subject to Bankruptcy Court approval, Sections 363 and 365 of the Bankruptcy Code and except as otherwise set forth on Schedule 5.1(b), the execution and delivery of this Agreement and the Ancillary Agreements by the Sellers do not, and the consummation of the transactions contemplated hereby and compliance with the terms hereof by the Sellers will not (a) conflict with, or result in any breach or violation of (i) any provision of the Articles of Incorporation or By-Laws of the Sellers, (ii) any applicable Law in any material respect, or (iii) any judgment, order or decree applicable to the Subject Businesses or the Subject Assets, (b) violate or conflict with, or result in a breach or acceleration of payments under, or require the Sellers to obtain the consent of a third party under, or result in the imposition of any lien, claim or encumbrance upon any of the Subject Assets pursuant to, any Assumed Contract or other material agreement, instrument or document to which a Seller is a party or is subject and which is concerning or is related to the Subject Businesses or the Subject Assets, or (c) require any action, consent, approval, order or authorization of or registration, declaration, or filing with any federal, state, municipal or other court, governmental or administrative body or agency, securities or commodities exchange or other regulatory body or private arbitration tribunal be obtained or made in connection with the execution and delivery of this Agreement and the Ancillary Agreements by the Sellers or the consummation by the Sellers of the transactions contemplated hereby other than such actions, consents, approvals, orders or authorizations, registrations, declarations or filings, the failure to obtain or make of which do not, individually or in the aggregate, have a Material Adverse Effect.

5.2. Title To and Condition of the Subject Assets. The Sellers have good and marketable title to all of the Subject Assets other than the Purchased Real Estate, tangible and intangible, free and clear of all liens, claims, encumbrances and security interests whatsoever other than (i) liens arising by operation of law, (ii) liens for current Taxes not yet due, (iii) items constituting part of the Subject Assets which are leased by the Sellers, and (iv) liens to be discharged by the Bankruptcy Court or described in Schedule 5.2 (collectively, the "Permitted Liens"). The Subject Assets consist of all of the assets employed in the Subject Businesses except the Excluded Assets and the Leased Real Estate. All of the tangible personal property included in the Subject Assets is (a) in good operating condition and repair, ordinary wear and tear excepted, and (b) maintained in accordance with the Sellers' standard historical maintenance practices. The Subject Assets are sufficient for the operation of the Subject Businesses in the ordinary course of business. Any leased personal property included within the Subject Assets is,

in all material respects, in the condition required of such property by the terms of the lease applicable thereto. With respect to each Subject Business, the amount of Inventory on hand: (a) has been manufactured and/or purchased in the ordinary course of business consistent in quality with past practices; and (b) is not obsolete and is of a quality usable and salable in the ordinary course of business other than with respect to reserves maintained by the Sellers for obsolete or "slow moving" inventory. The Accounts Receivable arose from bona fide transactions in the ordinary course of business and, except for the final contract payments due in accordance with the underlying agreements and/or purchase orders which gave rise to such accounts receivable (which amounts shall not exceed ten percent (10%) of the overall price under such underlying agreements and/or purchase orders), are good and collectible within one hundred twenty (120) days after the Closing Date in the ordinary course of business at the aggregate recorded amount thereof, net of any applicable reserves for doubtful accounts reflected on the Financial Statements or reserves created by the Sellers with respect to the Subject Businesses in the ordinary course of business after the date thereof; provided that, with respect to underlying agreements and/or purchase orders where performance has not been completed by the Sellers prior to the Closing, the Buyer completes performance under such underlying agreements and/or purchase orders in accordance with their terms and in accordance with the Sellers' manufacturing practices as in effect immediately prior to the Closing. A list of the Equipment as of the date of this Agreement is set forth on Schedule 1.1(e).

5.3. Real Estate. With respect to the Real Estate:

(a) The Sellers own fee-title to the Purchased Real Estate.

(b) To the knowledge of the Sellers without inquiry of any person, the Leased Real Estate is not subject to any security interest, mortgage, pledge, option, right of first refusal, encumbrance, charge, easement, covenant, or other lien or restriction, except for the Sellers' leasehold interest in the Leased Real Estate and Permitted Real Estate Encumbrances.

(c) In the last three (3) years, the Sellers have not received (i) any written notices from any governmental or quasi-governmental authority of any actual real property assessments, or (ii) any written notices from any governmental or quasi-governmental authority of any actual or threatened condemnation proceedings against the Real Estate.

(d) Subject to Paragraph 2.5, above, there are no pending litigation or administration actions, and in the last three (3) years the Sellers have not received any notice threatening in writing any litigation or administrative action which, in any such case, if adversely determined, is likely to have a Material Adverse Effect on title to the Real Estate or the Sellers' ability to consummate the transactions contemplated by this Agreement.

(e) The Sellers have not received prior to the Closing Date any written notification from any governmental or quasi-governmental authority (i) that the Real Estate is in violation of any applicable fire, health, building, use, occupancy or zoning Laws where such violation remains outstanding and, if unaddressed, would have a

Material Adverse Effect on the use of the Real Estate as currently owned and operated, or (ii) that any work is required to be done by any governmental or quasi-governmental authority upon or in connection with the Real Estate, where such work remains outstanding and, if unaddressed, would have a Material Adverse Effect on the use of the Real Estate as currently owned and operated.

(f) To the knowledge of the Sellers, there has been no work performed or materials supplied in the last six (6) months relating to the Real Estate which have not been paid for or which, if not paid for, are likely to result in the filing of a notice of a mechanics or materialmen's lien.

(g) True, correct and complete copies of any leases, including any amendments thereto, and any existing surveys, title insurance commitments, policies or binders, inspection reports, studies or analyses and copies of any other similar documents affecting the Real Estate, and any covenants, restrictions or easements of record disclosed therein which are in the possession and/or control of the Sellers have been made available to the Buyer.

5.4. Litigation. Except for the proceedings pending before the Bankruptcy Court and as set forth on Schedule 5.4, there is no claim, action, suit, proceeding, arbitration, investigation or inquiry before any federal, state, municipal or other court or governmental or administrative body or agency, any securities or commodities exchange, other regulatory body or private arbitration tribunal now pending or, to the knowledge of the Sellers, threatened, against or relating to the Subject Assets and/or the Subject Businesses. Except for the proceedings pending before the Bankruptcy Court, none of the Sellers are subject to any order, writ, judgment, injunction or decree of any federal, state, municipal or other court, governmental or administrative body or agency, securities or commodities exchange or other regulatory body, or private arbitration tribunal with respect to the Subject Assets and/or the Subject Businesses.

5.5. Intellectual Property.

(a) Schedule 1.1(i) sets forth: (i) all U.S. and foreign issued design patents and utility patents, and all pending patent applications relating to any inventions, and all reissues, divisions, continuations-in-part and extensions of them; (ii) all registered trademarks, registered service marks, trademark and service mark applications, unregistered trademarks and service marks, trade names, trade dress, logos and designs, and unique product configurations; (iii) all registered U.S. copyrights and copyright applications and all renewals and extensions; and (iv) a general identification of all logos and domain name addresses owned by the Sellers relating to the Subject Businesses or otherwise used in the Subject Businesses other than any logos or domain names for DEC or any of its subsidiaries or divisions other than the Subject Businesses (items (i) through (iv) hereinafter collectively referred to as "Intellectual Property"). The Sellers have made available or otherwise provided the Buyer, upon the Buyer's reasonable request, with reasonable access to correct and complete copies of all such Intellectual Property (as amended to date) and of all other written documentation evidencing ownership and prosecution (if applicable) of each such item which are in the possession or control of the Sellers or their attorneys.

(b) Schedule 5.5(b) sets forth all licenses, franchises and permits granted by or to the Sellers and all other agreements to which the Sellers are a party, which create rights in a Seller or in any third party regarding any Intellectual Property specifically or other intellectual property generally used in connection with the Subject Businesses, including, without limitation, trademarks, patents, and copyrights (hereinafter collectively referred to as "Licenses").

(c) The Sellers are the sole and exclusive owner, free and clear of all liens, claims and encumbrances (except Permitted Liens), of all right, title and interest in the Intellectual Property and the Sellers have the absolute right to use and assign those rights without seeking the approval or consent of any third party and without payments to any third party. All registrations and applications for the Intellectual Property are in full force and effect. There are no existing or, to the knowledge of the Sellers, threatened claims or proceedings by any person relating to the use by the Sellers of the Intellectual Property or challenging their ownership of the same. None of the Intellectual Property is subject to any outstanding order, decree, judgment, stipulation, written restriction, undertaking or agreement limiting the scope or use of the Intellectual Property or declaring any of it abandoned. Except as set forth on Schedule 5.5(c), to the knowledge of any Seller, there are no infringing or diluting uses of the Intellectual Property, and no investigations are pending concerning the possibility of such infringing or diluting use. Except for the Licenses, no Seller has granted any license, franchise, permit or other right to any third party to use any of the Intellectual Property.

(d) In connection with the operation of the Subject Businesses, to the knowledge of the Sellers, the Sellers have not interfered with, infringed upon, misappropriated, or otherwise come into conflict with any intellectual property rights of third parties, and no Seller has received any charge, complaint, claim, or notice alleging any such interference, infringement, misappropriation or violation.

5.6. Financial Statements. The Financial Statements attached to Schedule 5.6 fairly present the financial condition of the Subject Businesses on the dates designated thereon and the results of operations for the periods designated therein and were prepared in accordance with GAAP subject, in the case of interim financial statements, to the inclusion of appropriate year-end adjustments. There has been no material change in the capitalization, assets, liabilities, gross margin, profitability, or methods of doing business of the Subject Businesses since the Balance Sheet Date other than changes in the ordinary course of business since the Balance Sheet Date (none of which ordinary course changes have had or will have a Material Adverse Effect on the business or financial condition of the Subject Businesses).

5.7. Taxes. All Tax returns, reports and forms of the Sellers due prior to the date hereof with respect to the Subject Businesses have been timely and filed and properly reflect the Tax liability of the Sellers related thereto in all material respects. The provision made for Taxes on the Financial Statements is sufficient for the payment of all material accrued and unpaid Taxes payable by the Sellers relating to the Subject Businesses for the periods ending on such dates and for all periods prior thereto. All material Taxes and withholding amounts due and payable prior to the Closing relating to the Subject Businesses will have been paid in full prior to

the Closing. No Tax deficiencies relating to the Subject Businesses have been proposed or assessed against any Seller and there are no pending, or to the knowledge of the Sellers, threatened audits, investigations or claims for or relating to any liability in respect of Taxes relating to the Subject Businesses that are likely to result in an obligation by the Sellers to pay any material additional amount of Taxes. No Tax liens have been filed against the Sellers relating to the Subject Businesses, the Real Estate or the Subject Assets. None of the Sellers are party to any tax indemnity agreement, tax sharing arrangement, tax allocation agreement or similar agreement affecting or concerning the Subject Businesses.

5.8. Undisclosed Commitments or Liabilities. To the knowledge of the Sellers, there are no commitments, liabilities or obligations relating to the Subject Businesses, whether accrued, absolute, contingent or otherwise including, without limitation, guaranties by the Sellers of the liabilities of third parties which are not disclosed in the Financial Statements or the Schedules, except those incurred in or as a result of the ordinary course of business since the Balance Sheet Date (none of which ordinary course obligations have had or will have a Material Adverse Effect on the Subject Businesses).

5.9. Contracts. Schedule 5.9 sets forth a true and complete list of all of the following with respect to which any Seller is a party or by which any Seller is bound relating to the Subject Businesses, the Real Estate or the Subject Assets (collectively, the "Contracts"): (i) all purchase orders and sales orders not in the ordinary course of business and all purchase orders for raw materials or supplies in excess of Fifty Thousand Dollars (\$50,000) and sales orders in excess of Fifty Thousand Dollars (\$50,000), all arrangements, contracts or agreements, whether written or oral, between a Seller and any Affiliate, all mortgages, supply agreements, sole source arrangements, technology agreements, royalty agreements, licensing agreements, leases, consulting agreements, employment agreements, compensation agreements, non-competition agreements, non-solicitation agreements, confidentiality agreements, commission agreements, sales representative, distributorship or marketing agreements, employee benefit plans, profit sharing plans, group insurance, bonus plans or other contracts or agreements (excluding purchase orders for raw materials or supplies and sales orders except as described above) made in the ordinary course of business for an amount greater than Fifty Thousand Dollars (\$50,000) over the term of such contract or extending more than sixty (60) days from the Closing Date, and (ii) all other contracts or agreements, whether written or oral, not made in the ordinary course of business. True and correct copies (or memoranda describing each with respect to oral agreements or plans) of each of the Contracts, and all amendments and modifications thereof, have been delivered to the Buyer. Each Assumed Contract is, and assuming the payment by the Buyer of any applicable costs relating to the cure of any pre-Closing default of the Assumed Contracts in accordance with Paragraph 3.1(c), above, will be valid, binding and in full force and effect in accordance with its terms. Except for breaches which the cure payments will cure, or as set forth on Schedule 5.9, neither the Sellers nor, to the knowledge of the Sellers, any other party to an Assumed Contract is in breach or default in any material respect under any Assumed Contract (with or without the lapse of time, or the giving of notice, or both).

5.10. Products. Except as set forth on Schedule 5.10, no claim for product liability has been asserted against the Sellers with respect to any products sold by the Subject Businesses during the three (3) year period immediately preceding the date hereof and to the knowledge of

the Sellers no event has occurred which might give rise to the assertion of any such claim. To the knowledge of the Sellers, all products sold by the Subject Businesses have been manufactured in compliance with all applicable manufacturing and quality control procedures.

5.11. Product Warranties. All products and services manufactured and/or sold by the Subject Businesses (and the delivery thereof) prior to the date hereof have been in substantial conformity with all applicable contractual commitments and all expressed warranties. No liability for any warranty claims exists for the repair or replacement thereof or other damages in connection with such services, sales or deliveries, except to the extent a reserve for such warranty claims are reflected on the Financial Statements or reserves created by the Sellers with respect to the Subject Businesses in the ordinary course of business after the date thereof; *provided, however*, that the aggregate amount of such reserves shall not exceed the Closing Warranty Reserve. To the knowledge of the Sellers, all product labeling of the Subject Businesses is in conformity with all applicable Laws. Copies of the standard terms and conditions of sale, delivery or lease of the Subject Businesses (including all warranty provisions) are attached to Schedule 5.11.

5.12. Employees. Schedule 5.12 attached hereto contains:

(a) a list of all employee handbooks and/or manuals relating to the employees of the Subject Businesses, true and correct copies of which have been made available to the Buyer; and

(b) a list of all employees of the Subject Businesses, together with their job descriptions, rates of salary, wages or commissions, dates of last compensation increase and the amount thereof, vacation benefits and accrual rates, and each bonus, deferred compensation, stock option, incentive compensation, severance or termination pay agreement or employment benefit applicable to each such employee.

5.13. Labor Practices. With respect to the employees of the Subject Businesses:

(a) The Sellers are in compliance, in all material respects, with the Federal Fair Labor Standards Act and all applicable Laws relating to employment discrimination, employee welfare and labor standards. Except as set forth on Schedule 5.13, the Sellers have not received, during the three (3) year period immediately prior to the date hereof, any written claim by any past or present employee of any Seller that such employee was subject to a wrongful discharge or any employment discrimination by any Seller or its management arising out of or relating to such employee's race, sex, age, religion, national origin, ethnicity, handicap or any other protected characteristic under applicable Law.

(b) The Sellers are in compliance, in all material respects, with the Federal Occupational Safety and Health Act, the regulations promulgated thereunder and all other applicable Laws relating to the safety of employees or the workplace or relating to the employment of labor, including, without limitation, any provisions thereof relating to wages, bonuses, collective bargaining, equal pay and the payment of social security and similar payroll taxes. No proceedings are pending before any federal, state, municipal or other court, governmental, regulatory or administrative body or agency, or private

arbitration tribunal relating to labor or employment matters, and the Sellers have not received any notice from any governmental, regulatory or administrative body or agency of any pending investigation by any such body or agency, or, to the knowledge of the Sellers, threatened claim by any such body or agency or other third party relating to labor or employment matters or the Subject Businesses.

(c) Schedule 5.13 sets forth a list of all agreements or contracts with any union, labor organization, employee group, or other entity or individual which affects the employment of employees of any of the Subject Businesses, including but not limited to, any collective bargaining agreements or labor contracts, true and correct copies of which have been delivered to the Buyer.

(d) To the knowledge of the Sellers, none of the employees of the Subject Businesses are in the process of being organized by or into labor unions or associations other than those set forth on Schedule 5.13. None of the Subject Businesses has been subject to a strike, slowdown or other work stoppage during the three (3) year period immediately preceding the date hereof and, to the knowledge of the Sellers, there are no strikes, slow-downs or work stoppages threatened against any Seller.

(e) To the knowledge of the Sellers, no key employee or group of employees has expressed plans to terminate employment with the Subject Businesses.

(f) Prior to the date hereof and other than as a result of or in connection with the transactions contemplated herein, no Seller has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act ("WARN") or similar state laws with respect to the employees of the Subject Businesses.

5.14. ERISA.

(a) Schedule 5.14 lists all profit sharing, pension or retirement plans, programs, arrangements or agreements, and each other employee benefit plan, program or agreement maintained or contributed to or required to be contributed to for the benefit of any employee or terminated employee of the Subject Businesses, whether formal or informal (the "Plan" or "Plans"). The Sellers do not have any formal plan or commitment, whether legally binding or not, to create any additional Plan or modify or change any existing Plan that would affect any employee or terminated employee of the Subject Businesses.

(b) Except as set forth on Schedule 5.14, no Plans are covered by Title IV of ERISA, nor have any of the Sellers ever maintained any such Plan covering employees or former employees of any of the Subject Businesses.

(c) A true and complete copy of each Plan (including all amendments thereto) have been delivered to the Buyer.

(d) Each of the Plans conforms to, and has been operated and administered in accordance with, in all material respects, all applicable Laws, including but not limited to,

ERISA and the Code. Each of the Plans which is intended to be "qualified" within the meaning of Section 401(a) of the Code is so qualified and is the subject of a currently effective favorable determination letter issued by the Internal Revenue Service with respect to the qualification of such Plan under the Code.

(e) None of the Sellers nor any of the Plans, nor any trust created thereunder, nor any trustee or administrator thereof, has engaged in a transaction in connection with the Subject Businesses, or any trustee or administrator or any such trust, or any party dealing with the Plans or any such trusts, which could be subject to either a material civil penalty assessed pursuant to Section 502(i) of ERISA or a material tax imposed pursuant to Section 4975 of the Code. There are not pending, or to the knowledge of the Sellers, threatened claims by or on behalf any of the Plans by any employee or beneficiary covered under any such Plan or otherwise involving any such Plan (other than routine claims for benefits) and there have not been any "prohibitive transactions" under the meaning of ERISA or the Code with respect to any Plan.

(f) None of the Sellers contribute to or participate in any multi-employer plan (within the meaning of Section 4001(a)(3) under ERISA) covering employees or former employees of the Subject Businesses.

(g) None of the Sellers are a party to any Contract or other arrangement that would result, separately or in the aggregate, as a result of the transactions contemplated herein, in the payment of any "excess parachute payments," within the meaning of Section 280G of the Code, to any employees or former employees of the Subject Businesses.

5.15. Events Since Balance Sheet Date. Except as set forth on **Schedule 5.15**, since the Balance Sheet Date, none of the Sellers have suffered any material adverse change in their assets or business relating to the Subject Businesses or taken any action or omitted to take any action that, if suffered, taken or omitted after the Balance Sheet Date, but before the Closing, would have resulted in a violation of the provisions of Paragraph 6.2, below.

5.16. Compliance With Environmental Laws. Except as set forth on **Schedule 5.16**:

(a) Except for materials used in the ordinary course of the Subject Businesses and in compliance with all Environmental Laws, there are no Hazardous Substances (i) at, on, in, above or under the Real Estate, or (ii) to the knowledge of the Sellers, on any adjacent property including, without limitation, Hazardous Substances originating or emanating from any other property that are present in, on, under or above the Real Estate or Hazardous Substances originating or emanating from the Real Estate that are present in, on, under or above any other property and no Hazardous Substances have ever been generated, treated, stored, disposed of, handled on, spilled, discharged or released on or from or removed from the Real Estate by the Sellers, or, to the knowledge of the Sellers, by any third party, as to both clauses (i) and (ii) in quantities which are likely to require investigation or remediation.

(b) No Sellers have, and, to the knowledge of the Sellers, no current or former owner of the Real Estate has, received any written notice from any governmental agency or any third party notifying of (i) any Hazardous Substances which have been generated, treated, stored, handled or removed from or disposed of on the Real Estate, or (ii) any Hazardous Substance which has migrated on, in, under, above or to the Real Estate from any adjacent property or which has migrated, emanated or originated from the Real Estate onto any other property or (iii) any material violation of any Environmental Law with respect to the Subject Businesses or the Real Estate.

(c) The Sellers and the Subject Businesses have obtained all necessary governmental, administrative and/or regulatory approvals required for the operation of the Subject Businesses and the use of the Real Estate required by any Environmental Law.

(d) No Environmental Claim with respect to the Subject Businesses, the Real Estate or the Subject Assets, is pending or, to the knowledge of the Sellers, threatened.

(e) The Subject Businesses and the Subject Assets are, and for the past three (3) years, have been in material compliance with each Environmental Law;

(f) The consummation of the transactions contemplated by this Agreement does not (i) impose any obligations on the Subject Businesses under any Environmental Law, including without limitation, for the investigation or cleanup of the Real Estate, or (ii) require notification to or consent of any governmental authority or third party pursuant to any Environmental Law.

(g) Except as set forth on Schedule 5.16, the Real Estate does not contain and, to the knowledge of the Sellers, has never contained any (i) aboveground or underground storage tanks, (ii) asbestos-containing material, PCB's, radon, or urea formaldehyde foam, (iii) landfill or dumps, (iv) septic systems or wells of any type, or (v) hazardous waste management facility as defined pursuant to RCRA or any comparable state law.

(h) To the knowledge of the Sellers, the Subject Assets are not required to be upgraded, modified or replaced to be in compliance with any Environmental Law.

(i) The Sellers have made available for the Buyer's inspection all Environmental Claims, reports, studies, assessments and Environmental Audits or the like of, in the possession of or reasonably available to the Sellers with respect to any environmental matter associated with the Subject Businesses, the Real Estate, or any of the Subject Assets.

5.17. Insurance. A true and complete list of all insurance policies and bonds currently maintained by the Sellers and applicable to the Subject Businesses is attached to Schedule 5.17. All such listed insurance policies and bonds insure the Subject Businesses, the Subject Assets and the Real Estate in reasonably sufficient amounts against risks usually insured against by persons or entities operating similar businesses or properties of similar size in the localities where such businesses or properties are located and have been issued by insurers of recognized responsibility. Each such insurance policy and bond is in full force and effect and no Seller has

received written notice of or is otherwise aware of any cancellation or threat of cancellation of such insurance policy or bond. Schedule 5.17 attached hereto also sets forth all property damage, personal injury, workers' compensation, products liability or other claims that have been made against the Sellers with respect to the Subject Businesses in the last three (3) years or which are pending against the Sellers or, to the knowledge of the Sellers, threatened against the Sellers.

5.18. Licenses; Permits. The Sellers are in compliance, in all material respects, with and have all material licenses, permits, registrations and authorizations required by all applicable Laws in the operation of the Subject Businesses. Set forth on Schedule 5.18 sets forth a true and complete list of all material licenses, permits, registrations and authorizations issued or granted to each of the Sellers by governmental, regulatory or administrative body or agency which relate to the Subject Businesses, the Subject Assets, or the use or occupancy of the Real Estate. None of the Sellers are in breach or violation, in any material respect, of any applicable Law relating thereto and all such licenses, permits, registrations and authorizations are current and effective.

5.19. Compliance With Laws. The operation of the Subject Businesses and the sale and performance of all services by each of the Subject Businesses are in compliance, in all material respects, with all Laws. The Sellers have not received any notice from any governmental, regulatory or administrative body or agency that any investigation or review is pending or, to the knowledge of the Sellers, threatened by any such body or agency (a) with respect to any alleged violation by any Seller or any representative of any Seller of any Law which relates to the Subject Businesses, the Subject Assets, or the use or occupancy of the Real Estate, or (b) with respect to any alleged failure to have all licenses, permits, registrations and authorizations required by Law in connection with the operation of the Subject Businesses.

5.20. Customers; Suppliers. Schedule 5.20 sets forth, with respect to the last two (2) fiscal years of each Seller and with respect to the seven-month period ended July 31, 2001, a list of (a) the dollar amount derived from each of the ten (10) largest customers of each of the Subject Businesses (based on dollar amounts purchased from each of the Subject Businesses); and (b) the dollar amount purchased from the ten (10) largest suppliers of each of the Subject Businesses (based on dollar amounts purchased by each of the Subject Businesses). Except as set forth on Schedule 5.20, the Sellers have no knowledge of and have not received any written notice of the intention of any of the customers and suppliers listed on Schedule 5.20 to cease doing business or reduce in any material respect the business transacted with the Subject Businesses or to terminate any material agreements with the Subject Businesses (whether upon consummation of the transactions contemplated hereby or otherwise).

5.21. Related Party Transactions. Except as set forth on Schedule 5.21, no officer, director or Affiliate of any of the Sellers (a) has any interest in any of the Subject Assets, (b) owns (of record or as a beneficial owner) any financial interest in a person or entity that (i) has had business dealings or a material financial interest in any transaction with the Subject Businesses other than business dealings or transactions conducted in the ordinary course of business with the Subject Businesses at prices and on terms no less favorable than substantially prevailing market prices and terms, (ii) is a Competitor, except for ownership of less than three percent (3%) of the outstanding capital stock of any Competitor that is publicly traded on any

recognized exchange or in the over-the-counter market, or (iii) is a director, officer or employee or Affiliate of a Competitor. Except as set forth on Schedule 5.21, and except for salary, benefits, other compensation and expense reimbursements payable in the ordinary course and consistent with past practices, no officer, director or Affiliate of any of the Sellers is a party to any contract with, or has any claim or right against, any Subject Business.

5.22. Brokers; Agents. The Sellers have not dealt with any agent, finder, broker or other representative in any manner which could result in the Buyer being liable for any fee or commission in the nature of a finder's fee or originator's fee in connection with the subject matter of this Agreement.

5.23. Warranties True and Correct. No warranty or representation by the Sellers contained in this Agreement as modified by the Schedules attached hereto contains or will contain any untrue statement of material fact or omits or will omit to state any material fact required to make the warranty or representation not misleading. There is no material adverse fact known to the Sellers with respect to the Subject Businesses, the Subject Assets and the Real Estate that has not been set forth herein, in any Schedule or in any information made available to the Buyer through November 17, 2001 in the data room maintained by the Sellers at Alkar in connection with the transactions contemplated herein.

5.24. Warranties Survive Closing. Notwithstanding any investigation by or information supplied to the Buyer, the warranties and representations of the Sellers contained herein and in any document delivered pursuant hereto, shall be true and correct in all material respects on the date hereof and on the Closing Date and shall survive the Closing until the later of: (a) six (6) months from the date of this Agreement, or (b) the earlier of (i) the date on which the Sellers file a plan of reorganization with the Bankruptcy Court, or (ii) the first (1st) anniversary of the Closing Date. Any claim for indemnification under clause (a) of Paragraph 11.1, below, made in writing prior to the expiration of such applicable survival period, and the rights of indemnity with respect thereto, shall survive such expiration until resolved or judicially determined, and any such claim not so made in writing prior to the expiration of such applicable survival period shall be deemed to have been waived.

5.25. Knowledge of the Sellers. For those warranties and representations set forth in this Article V which are subject to a knowledge qualification such as "to the knowledge of the Sellers," or similar terms, the Sellers shall be deemed to have knowledge of a matter if any of William Thompson, Chris Hannemann, Philip Hinderaker, Larry Hanson or John Jurkowski have actual knowledge of the matter after reasonable inquiry.

ARTICLE VI

Covenants of the Sellers

The Sellers covenant and agree as follows:

6.1. Access. Prior to the Closing, the Sellers will upon reasonable notice, during normal business hours, to the extent reasonably requested by the Buyer: (a) give the Buyer and its representatives, employees, counsel and accountants access to the properties, books and

records of the Sellers relating to the Subject Businesses, the Real Estate and the Subject Assets, and (b) cause each Seller's respective officers and advisors (including, without limitation, its accountants, attorneys and financial advisors) to make available to the Buyer and its designated representatives financial and operating data and other information with respect to the Subject Businesses, the Real Estate and the Subject Assets for the purpose of permitting the Buyer to, among other things: (i) conduct its due diligence review, (ii) review the financial statements of the Subject Businesses, (iii) verify the accuracy of the representations and warranties of the Sellers contained in this Agreement, and (iv) prepare for the consummation of the transactions contemplated by this Agreement; *provided, however*, that such activities do not unreasonably disrupt the operations of the Sellers. In connection therewith, the Buyer shall be permitted to discuss the business affairs and financial statements of the Sellers relating to the Subject Businesses and the Subject Assets with the Sellers' accountants, and to review the work papers of such accountants regarding the Subject Businesses, the Real Estate and the Subject Assets. The Buyer shall be permitted, upon reasonable notice and with assistance of the Sellers reasonably requested by the Buyer to conduct such audit procedures as the Buyer deems necessary to verify the existence and condition of the Inventory, the other assets of the Sellers and the liabilities, obligations and reserves of the Sellers with respect to the Subject Businesses.

6.2. Conduct of Business in the Ordinary Course. Until the Closing, and subject to the proceedings of the Bankruptcy Court, the Sellers shall use their commercially reasonable efforts to carry on the operations of the Subject Businesses diligently and substantially in the manner as heretofore conducted, and shall not make or initiate any unusual or novel methods of purchase, sale, management, accounting or operation. Until the Closing, and subject to the proceedings of the Bankruptcy Court, no Seller will enter into any contract or commitment with respect to the Subject Businesses to engage in any transaction not in the ordinary course of its business or not consistent with its past business practice. Until the Closing, and subject to the proceedings of the Bankruptcy Court, each Seller shall use its commercially reasonable efforts to preserve for the Buyer the business organization of the Subject Businesses, including present key employees, and the relationships with suppliers, customers and advertisers and others having business relations with the Subject Businesses. Without limiting the scope of the foregoing, the Sellers until the Closing, and subject to the proceedings of the Bankruptcy Court, with respect to the Subject Businesses, shall:

- (a) use, preserve and maintain the properties and assets of the Subject Businesses on a basis consistent with past practices;
- (b) maintain all insurance covering properties or assets of the Subject Businesses (including those insurance policies described on Schedule 5.17) in full force and effect through the close of business on the Closing Date;
- (c) continue to purchase raw materials and supplies in accordance with current production schedules and not in excess of the reasonable requirement of the Subject Businesses;
- (d) pay all post-Petition debts and obligations incurred by a Seller in the operation of any Subject Business as the same became due and payable, except to the

extent a Seller is contesting such debts or obligations in good faith by appropriate proceedings and has established appropriate reserves therefor; and

(e) maintain books, accounts and records in the usual manner and on a basis consistent with past practices.

Furthermore, and without limiting the scope of the foregoing, the Sellers will not, with respect to the Subject Businesses, without the prior written consent of the Buyer:

(f) make any capital expenditures, or commitments with respect thereto (including, without limitation, capital leases) other than capital expenditures or commitments not in excess of Ten Thousand Dollars (\$10,000) for individual items and not in excess of Fifty Thousand Dollars (\$50,000) in the aggregate;

(g) sell, transfer, lease or otherwise dispose of or agree to sell, transfer, lease or otherwise dispose of any of the Subject Assets (other than in the ordinary course of business) or waive or release, or agree to waive or release, any right of substantial value relating to the Subject Businesses or the Subject Assets;

(h) make or agree to make, any direct or indirect change (including any general increase) in the rate of compensation, commission, bonus or other remuneration payable, or grant any severance or termination pay to, or increase benefits payable under any existing severance or termination pay policies to, or enter into or modify any employment agreements with any employees, agents and/or representatives of the Subject Businesses;

(i) adopt or amend or increase compensation or benefits payable under, or take any actions which might result in an adverse Tax or other consequences with respect to, any bonus, profit sharing, compensation, stock option, pension, retirement, deferred compensation, collective bargaining agreement or other plan, agreement, trust, fund or arrangement for the benefit of any employee or class of employees of the Subject Businesses;

(j) commit any act or omit to do any act, or permit any act or omission to act, which will or may cause an intentional breach by the Sellers of any Assumed Contract or make or agree to make any material modification or amendment to any of the Assumed Contracts or terminate or agree to terminate any Assumed Contract;

(k) materially change the basis for the prices charged for services or products except in accordance with past practices of the Subject Businesses or change their credit policies; and

(l) transfer or grant, or agree to transfer or grant, any rights under, or enter into or agree to enter into, any settlement regarding the breach or infringement of any Intellectual Property or similar rights relating to the Subject Businesses or the Subject Assets or materially modify or agree to materially modify any existing rights with respect thereto.

6.3. Retention of Employees. It is the Buyer's current intention to offer employment to substantially all of the employees of the Subject Business; however, the Buyer is under no obligation to do so.

6.4. Employees.

(a) Effective as of the Closing, the employment of the employees of the Subject Businesses shall terminate; and except for employees, if any, identified on Schedule 6.4, the Buyer shall offer employment to all such employees effective as of the Closing Date. Any employee who accepts such employment is referred to herein as a "Continuing Employee." Nothing in this Paragraph 6.4 shall obligate the Buyer to continue to employ any Continuing Employee for any specific period of time. For purposes of vacation and other benefits provided by the Buyer to Continuing Employees, the Buyer shall give such employees service credit for periods of employment with the Sellers. On the Closing Date, the Sellers and the Buyer shall post and/or mail to all employees, except for the employees, if any, identified on Schedule 6.4 hereto, a notice advising such employees that they are no longer employees of the Sellers and that the Buyer is offering such employees employment at their then present salary and wage rates and other terms and conditions established by the Buyer.

(b) Each Seller shall be responsible for, and shall indemnify and hold the Buyer harmless against and in respect of any liability, loss, claim, damage or deficiency that arises under WARN or other similar statutes or regulations of any jurisdiction ("WARN Liabilities") which arose prior to the Closing Date other than as a result of or in connection with the transactions contemplated herein. The Buyer shall be responsible for, and shall indemnify and hold the Sellers harmless against and in respect of any liability, loss, claim, damage or deficiency that arises under WARN or other similar statutes or regulations of any jurisdiction ("WARN Liabilities") which arises as a result of or in connection with the transactions contemplated herein.

6.5. No Shop Provision. The Sellers agree that they shall not solicit or initiate any proposal with, negotiate, discuss or otherwise communicate with, or furnish or cause to be furnished any information to, or otherwise cooperate with or enter into any contract or agreement with any person, corporation, firm or entity with respect to any proposal for the disposition of all or a substantial portion of the assets, stock or interest of the Sellers or the sale of the Subject Businesses. These obligations shall continue until the filing of the motion contemplated under Paragraph 6.6, below. These obligations shall resume upon the entry of the order contemplated under Paragraph 6.6, below, by the Bankruptcy Court and shall continue until the Closing Date.

6.6. Order Approving this Agreement. On November 15, 2001, the Sellers shall file a motion with the Bankruptcy Court to approve this Agreement, the purchase and sale of the Subject Assets free and clear of all liens, claims and encumbrances other than the Permitted Liens and Permitted Real Estate Encumbrances, the assignment and assumption of the Assumed Contracts, and all other transactions contemplated herein, and the Sellers shall use their best efforts to request a hearing on the approval thereof be held no later than December 20, 2001. The Sellers shall diligently pursue entry of an order with retroactive effect to the date this Agreement which shall: (a) expressly find that the terms of the Agreement are in the best interests of the

Sellers and its creditors and that the notice of the hearing on the motion for such order is good and sufficient under the circumstances; (b) hold that the terms of this Agreement shall be binding upon any trustee appointed in the Sellers' case or in any case to which it is eventually converted; and (c) provide that the Bankruptcy Court shall retain jurisdiction of the Sellers' case to enforce the provisions of this Agreement. The motion for and the order approving this Agreement shall be in a form reasonably satisfactory to the Buyer.

6.7. Bid Protection. The Sellers acknowledge and agree that in the event that any party other than the Buyer is permitted to bid for any portion of the Subject Assets, then no competing bid or bids shall be accepted by any Seller that do not, in the aggregate, exceed the Purchase Price by an amount equal to or in excess of Four Hundred Thousand Dollars (\$400,000).

6.8. Order Approving Break-Up Fee and Bid Protection. On November 15, 2001, the Sellers shall file a motion with the Bankruptcy Court to approve the bid protection contemplated by Paragraph 6.7, above, and the break-up fee contemplated by Paragraph 12.3, below, and request a hearing on the approval thereof be held no later than November 20, 2001.

ARTICLE VII

Warranties and Representations of the Buyer

The Buyer hereby warrants and represents to the Sellers, which warranties and representations shall survive the Closing for the period set forth in Paragraph 7.5, below, as follows:

7.1. Authority. The Buyer is a limited partnership, validly existing under the laws of the State of Wisconsin and has the power and authority to carry on all business activities currently conducted by it. The Buyer has the power and authority to enter into this Agreement and the Ancillary Agreements to be signed by it and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the Ancillary Agreements to which the Buyer is a party and the consummation of the transactions contemplated hereby by the Buyer have been approved by necessary action of the part of the Buyer and are and shall constitute valid and legally binding obligations of the Buyer, enforceable against the Buyer in accordance with their respective terms.

7.2. No Conflict. The execution and delivery of this Agreement and the Ancillary Agreements by the Buyer does not, and the consummation of the transactions contemplated hereby and compliance with the terms hereof by the Buyer will not: (a) conflict with, or result in any breach or violation of: (i) any provision of the Certificate of Limited Partnership of the Buyer, or (ii) any judgment, order, decree, or Law, applicable to the Buyer, or (b) violate or conflict with, or result in a breach under, any agreement, instrument or document to which the Buyer is a party or is subject. Except for the Bankruptcy Court, no action, consent, approval, order or authorization of or registration, declaration, or filing with any federal, state, municipal or other court, governmental or administrative body or agency, securities or commodities exchange or other regulatory body, private arbitration tribunal, or other third party is required to be obtained or made in connection with the execution and delivery of this Agreement and the

Ancillary Agreements by the Buyer or the consummation by the Buyer of the transactions contemplated hereby.

7.3. Brokers; Agents. The Buyer has not dealt with any agent, finder, broker or other representative in any manner which could result in the Sellers being liable for any fee or commission in the nature of a finder's or originator's fee in connection with the subject matter of this Agreement.

7.4. Warranties True and Correct. No warranty or representation by the Buyer contained in this Agreement, the Exhibits attached hereto, any Ancillary Agreement or in any writing to be furnished pursuant hereto contains or will contain any untrue statement of fact or omits or will omit to state any material fact required to make the statements therein contained not misleading.

7.5. Warranties Survive Closing. Notwithstanding any investigation by or information supplied to the Sellers, the warranties and representations of the Buyer contained herein and in any document delivered pursuant hereto, shall be true and correct on the date hereof and on the Closing Date and shall survive the Closing until the later of: (a) six (6) months from the date of this Agreement, or (b) the earlier of (i) the date on which the Sellers file a plan of reorganization with the Bankruptcy Court, or (ii) the first (1st) anniversary of the Closing Date. Any claim for indemnification under clause (a) of Paragraph 11.2 hereof made in writing prior to the expiration of such applicable survival period, and the rights of indemnity with respect thereto, shall survive such expiration until resolved or judicially determined; and any such claim not submitted in writing prior to the expiration of such survival period shall be deemed to have been waived.

ARTICLE VIII

Schedules

The Seller and the Buyer acknowledge and agree that the Schedules are not in final form on the date hereof. The Buyer shall present to the Sellers the proposed form of Schedule 1.1(n) prior to the open of business on November 19, 2001. Either party may terminate this Agreement (and the Sellers may withdraw the motion(s) filed pursuant to Paragraphs 6.6 and 6.8, above) without liability to the others if the Sellers and the Buyer are not reasonably satisfied with the final form and content of the Schedules by November 20, 2001.

ARTICLE IX

Mutual Covenants

The Sellers and the Buyer each covenant and agree as follows:

9.1. Cooperation. The Buyer and the Sellers shall cooperate with each other and shall cause their respective officers, employees, agents, accountants and representatives to cooperate with each other to the extent reasonably requested after the Closing to ensure the orderly transition of the ownership of the Subject Businesses from the Sellers to the Buyer and to minimize any disruption to the Subject Businesses that might result from the transactions

contemplated hereby so long as it does not unreasonably interfere with the Seller's normal operations or impose any undue cost or liability on the Sellers.

9.2. Records.

(a) On the Closing Date, the Sellers will deliver or cause to be delivered to the Buyer all original Records in the possession or control of the Sellers.

(b) After the Closing, upon reasonable written notice, the Buyer and the Sellers agree to furnish or cause to be furnished to each other and their respective representatives, employees, counsel and accountants access, during normal business hours, to such information (including Records pertinent to the Subject Businesses) and assistance relating to the Subject Businesses as is reasonably necessary for the proceedings before the Bankruptcy Court, financial reporting and accounting matters, the preparation and filing of any returns, reports or forms or the defense of any Tax claim or assessment; *provided, however*, that such access does not unreasonably disrupt the normal operations of the Sellers or the Buyer.

9.3. Publicity. The Sellers and the Buyer agree that no public release or announcement concerning the transactions contemplated herein shall be issued by any party without the prior consent (which consent shall not be unreasonably withheld) of the other parties, except: (a) in any documents utilized, as reasonably necessary, in connection with the Buyer's financing for the transactions contemplated herein; (b) as such release or announcement may be required in connection with the proceedings before the Bankruptcy Court; (c) as such release or announcement may be required by Law, including without limitation, the Bankruptcy Code, in which case the party required to make the release or announcement shall use reasonable efforts to allow the other party reasonable time to comment on such release or announcement in advance of such issuance; and (d) in connection with obtaining consents or governmental, administrative or regulatory approval of the transactions contemplated herein.

9.4. Execution of Additional Documents. From time to time, as and when requested by a party hereto, each party hereto shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as such other party may reasonably deem necessary to consummate the transactions contemplated by this Agreement.

9.5. Risk of Loss. Risk of loss, damage or destruction to any of the Subject Assets and the Real Estate shall be upon the Sellers until the Closing Date and thereafter upon the Buyer. In the event of any damage, destruction or loss of or to any of the Subject Assets or the Real Estate on or prior to the Closing Date, the Sellers shall take reasonable steps prior to the Closing to repair, replace and restore the damaged, destroyed or lost property to its former condition and at Closing the Sellers shall assign to the Buyer all of their respective rights under any insurance and all proceeds of insurance (excluding business interruption proceeds for periods prior to the Closing Date) covering the property damage, destruction or loss not so repaired, replaced or restored prior to Closing and shall at Closing reimburse the Buyer for any deductible under such insurance.

ARTICLE X

Covenant Not to Compete

10.1. Non-Competition. Each of the Sellers acknowledge and agree that at no time for a period of five (5) years after the date hereof (the "Restricted Period") shall any of them, either directly or indirectly (including, without limitation, through an Affiliate), whether as an agent, stockholder (except as the holder of not more than five percent (5%) of the equity securities of a publicly held enterprise as long as such party does not render advice or assistance to such enterprise), employer, consultant, representative, trustee, partner, proprietor or otherwise:

(a) acquire an ownership interest in, render advice or assistance to or otherwise engage in or enter into any aspects of the business of any "Competitor" (as hereinafter defined);

(b) contact, solicit or entice, or attempt to contact, solicit or entice, any supplier, or any current customer, past customer (who was a customer in the two (2) year period prior to the Closing Date) or prospective customer of any of the Subject Businesses so as to cause, or attempt to cause, any of such suppliers or past, current or prospective customers not to do business with any of the Subject Businesses or their successors or to purchase products or services sold by any of the Subject Businesses or their successors from any source other than the Subject Businesses or their successors; or

(c) contact or solicit for employment any person now or hereafter employed by any of the Subject Businesses or their successors or solicit or entice, or attempt to solicit or entice, any such person to leave the employment of any of the Subject Businesses or their successors unless such person shall have ceased to be an employee of the Subject Businesses not less than one (1)-year prior to any such contact, solicitation or enticement.

For purposes of this Paragraph 10.1, the term "Competitor" shall mean any business, incorporated or otherwise, which makes, sells or offers products or services competitive with those manufactured, sold or offered by the Subject Businesses as of the Closing, provided, however, that nothing contained herein shall restrict the Sellers' ability to (i) sell, in any one transaction or a series of transactions, the remaining assets of the Sellers, or the capital stock of the Sellers, to a third party or parties, (ii) acquire, directly or indirectly, in any one transaction or a series of transactions, an ownership interest in any entity or the assets of a business (or, in the case of a diversified organization, a discreet division or department thereof) engaged in, or to become engaged in, a business which derives less than five percent (5%) of its gross revenues from products or services from the sale of products or services competitive with those manufactured, sold or offered by the Subject Businesses as of the Closing. For purposes of this Agreement, the Bou-Matic division of DEC shall not be considered a "Competitor" as long as, during the Restricted Period, the Bou-Matic division manufactures and sells products of a similar type and functionality as those sold by the Bou-Matic division as of the Closing.

10.2. Non-Disclosure of Confidential Information. Each of the Sellers acknowledge and agree that none of them shall, at any time during the Restricted Period, disclose any

Confidential Information (as hereinafter defined) to anyone other than to employees and representatives of the Buyer except any such Confidential Information which is required to be disclosed by the Sellers in connection with any court action or any proceeding before any administrative body or pursuant to any Law, and then only after the Sellers have used commercially reasonable efforts to give written notice to the Buyer of the intention so to disclose such Confidential Information so that the Buyer may have a reasonable opportunity to contest the need for such disclosure, and the Sellers shall cooperate with the Buyer in connection with any such contest. For purposes of this Paragraph 10.2, the term "Confidential Information" shall mean all non-public and all proprietary information relating to the Subject Businesses, its customers and products and services including, without limitation, the following: (i) all formulations, test results, manufacturing and engineering specifications, production and manufacturing information and know-how and all other technical information relating to the manufacture, formulation or production of the products or services of the Subject Businesses; (ii) all information and records concerning products or services being researched by, under development by or being tested by the Subject Businesses but not yet offered for sale; (iii) all information concerning the Intellectual Property; (iv) all information concerning pricing policies of the Subject Businesses, the prices charged by the Subject Businesses to its customers, the volume or orders of such customers and other information concerning the transactions of the Subject Businesses with its customers or proposed customers; (v) the customer and supplier lists of the Subject Businesses; (vi) financial information concerning the Subject Businesses; (vii) information concerning salaries or wages paid to, the work records of and other personnel information relative to employees of the Subject Businesses; (viii) information concerning the marketing programs or strategies of the Subject Businesses; and (ix) all other confidential and proprietary information of the Subject Businesses. The term "Confidential Information" shall not include any information required to be disclosed by the Sellers in connection with the proceedings before the Bankruptcy Court or which is generally available to the public without disclosure thereof by any Seller in violation of this Paragraph 10.2.

10.3. Enforcement. In addition to all other legal remedies available to the Buyer for the enforcement of the covenants of this Article X, the Sellers acknowledge and agree that the Buyer shall be entitled to temporary and permanent injunctive relief by any court of competent jurisdiction without the necessity of posting any bond or other security to prevent or restrain any breach or threatened breach hereof. The Sellers further agree that if any of the covenants set forth herein shall at any time be adjudged invalid to any extent by any court of competent jurisdiction, such covenant shall be deemed modified to the extent necessary to render it enforceable.

ARTICLE XI

Indemnification

11.1. Indemnification of the Buyer. The Sellers jointly and severally agree to indemnify the Buyer and its officers, directors, employees, agents and representatives (the "Buyer Parties") and to hold each of them harmless from and against any and all Losses of or against the Buyer Parties resulting from:

(a) any misrepresentation or breach of warranty on the part of any Seller in this Agreement or in any Ancillary Agreement delivered hereunder on the part of any Seller;

(b) any breach or nonfulfillment by any Seller of any agreement or covenant contained herein or in any Ancillary Agreement delivered hereunder on the part of any Seller;

(c) any liability or obligation of the Sellers for product liability claims for products sold by any of the Subject Businesses on or before the Closing Date except to the extent the product liability claims are caused directly by any modification to the product by the Buyer after the Closing Date;

(d) any liability or obligation of the Subject Businesses related to products sold by any of the Subject Businesses on or before the Closing Date (except to the extent the product warranty claims are caused directly by any modification to the product by the Buyer after the Closing Date) to the extent the aggregate liability for such product warranty claims exceeds the Closing Warranty Reserve;

(e) any liability or obligation of any of the Sellers under any Plans relating to events prior to the Closing Date other than payroll due or to become due to employees of the Subject Businesses;

(f) all Tax liabilities and obligations of the Sellers relating to the Subject Businesses (i) with respect to all periods ending on or prior to the Closing Date, and (ii) with respect to any period beginning before the Closing Date and ending after the Closing Date, but only with respect to the portion of such period up to and including the Closing Date, other than those Tax liabilities and obligations included in the Assumed Liabilities;

(g) any liability or obligation of any of the Sellers relating to the Subject Businesses, Subject Assets and/or Real Estate arising under any Environmental Law or any Environmental Claim relating to events or circumstances existing on or before the Closing Date;

(h) any liability or obligation of any of the Sellers for any finder's fee or originator's fee due to any agent, finder, broker or other representative of the Sellers in connection with the subject matter of this Agreement; and/or

(i) any failure of the Sellers to pay and/or perform any other liability or obligation of the Sellers other than the Assumed Liabilities.

11.2. Indemnification of the Sellers. The Buyer agrees to indemnify the Sellers and their respective officers, directors, employees, agents and representatives (the "Seller Parties") and to hold each of them harmless from and against any and all Losses of or against the Seller Parties resulting from (a) any misrepresentation or breach of warranty on the part of the Buyer in this Agreement or in any Ancillary Agreement executed and/or delivered by the Buyer; (b) any

non-fulfillment by the Buyer of any agreement or covenant contained herein or in any Ancillary Agreement delivered hereunder on the part of the Buyer; (c) any failure of the Buyer to pay and/or perform any of the Assumed Liabilities; (d) any liability or obligation of any of the Buyer for any finder's fee or originator's fee due to any agent, finder, broker or other representative of the Buyer in connection with the subject matter of this Agreement; and/or (e) any WARN liabilities arising as a result of or in connection with the transactions contemplated by this Agreement.

11.3. Procedure Relative to Indemnification.

(a) In the event that any party hereto shall claim that it is entitled to be indemnified pursuant to the terms of this Article XI, it (the "Claiming Party") shall so notify the party or parties against which the claim is made (the "Indemnifying Party") in writing of such claim as promptly as practicable but in any event within forty-five (45) days after the Claiming Party receives notice of any action, proceeding, demand or assessment or otherwise has received notice of any claim of a third party that may reasonably be expected to result in a claim for indemnification by the Claiming Party against the Indemnifying Party; *provided, however*, that failure to give such notification shall not affect the indemnification provided hereunder except to the extent the Indemnifying Party shall have been prejudiced as a result of such failure. Such notice shall specify the breach of representation, warranty or agreement claimed by the Claiming Party and the Losses incurred by, or imposed upon the Claiming Party on account thereof. If such Losses are liquidated in amount, the notice shall so state and such amount shall be deemed the amount of the claim of the Claiming Party. If the amount is not liquidated, the notice shall so state but shall state the amount of such claim to the extent then known and in such event a claim shall be deemed asserted against the Indemnifying Party on behalf of the Claiming Party, but no payment shall be made on account thereof until the amount of such claim is liquidated and the claim is finally determined.

(b) Subject to the conditions set forth in Paragraph 11.3(c), below, the following provisions shall apply to claims of the Claiming Party which are based upon (i) a suit, action or proceeding filed or instituted by any third party, or (ii) any form of proceeding or assessment instituted by any governmental entity:

(i) The Indemnifying Party shall, upon receipt of such written notice and at its expense, be entitled to participate in, and to the extent it wishes to assume the defense, to defend such claim in its own name or, if necessary, in the name of the Claiming Party; *provided, however*, that if the proceeding involves a matter solely of concern to the Claiming Party in addition to the claim for which indemnification under this Article XI is being sought, such matter of sole concern shall be within the sole responsibility of the Claiming Party and its counsel. The Claiming Party will cooperate with and make available to the Indemnifying Party such assistance and materials as may be reasonably requested of it, and the Claiming Party shall have the right, at its expense, to participate in the defense. The Indemnifying Party shall have the right to settle and compromise such claim only

with the consent of the Claiming Party, which consent shall not be unreasonably withheld provided that each of the following is satisfied:

(A) The terms of such settlement and compromise require no more than the payment of money (i.e., such settlement does not require the Claiming Party to admit to any wrongdoing or take or refrain from taking any action).

(B) The full amount of such monetary settlement will be paid by the Indemnifying Party (including from the Escrowed Amount):

(C) The Claiming Party receives as part of such settlement a legally binding and enforceable unconditional satisfaction and/or release, in a form and substance reasonably satisfactory to the Claiming Party, providing that the claim and any claimed liability of the Claiming Party with respect thereto is being fully satisfied by reason of such settlement and compromise and that the Claiming Party is being released from any and all obligations or liabilities it may have with respect thereto.

(ii) In the event the Indemnifying Party shall not be entitled to defend any claim made against the Claiming Party pursuant to the provisions of this Article XI or the Indemnifying Party shall notify the Claiming Party that it disputes any claim made by the Claiming Party and/or it shall fail to defend such claim actively and in good faith, then the Claiming Party shall have the right to conduct a defense against such claim but shall not have the right to settle and compromise such claim without the consent of the Indemnifying Party (which consent shall not be unreasonably withheld). Once the amount of such claim is liquidated and the claim is finally determined, the Claiming Party shall be entitled to pursue each and every remedy available to it at law or in equity to enforce the indemnification provisions of this Article XI and, in the event it is determined, or the Indemnifying Party agrees, that it is obligated to indemnify the Claiming Party for such claim, the Indemnifying Party agrees to pay all costs, expenses and fees, including all reasonable attorneys' fees which may be incurred by the Claiming Party in attempting to enforce indemnification under this Article XI, whether the same shall be enforced by suit or otherwise.

(c) Notwithstanding anything to the contrary contained in this Article XI, the Indemnifying Party shall have no right to defend or control the settlement of any claim unless each of the following conditions are satisfied:

(i) The claim seeks only monetary damages and does not seek any injunction or other equitable relief against the Claiming Party.

(ii) The Indemnifying Party unconditionally acknowledges, in writing in a notice of election to contest or defend the claim given to the Claiming Party within ten (10) days after the Claiming Party gives the Indemnifying Party notice of such claim, that the claim is within the scope of indemnification hereunder.

(iii) The Indemnifying Party is not then in default of any of its obligations to the Claiming Party under this Agreement (other than with respect to the particular breach or nonfulfillment on which the claim for indemnification is based).

(iv) The legal counsel chosen by the Indemnifying Party to defend the claim is reasonably satisfactory to the Claiming Party.

11.4. Limitation on Liability. Notwithstanding anything in this Agreement to the contrary, the Buyer shall not be entitled to indemnification by the Sellers with respect to any Losses arising under Paragraph 11.1, above, until the aggregate amount of the Losses exceeds Seventy-Five Thousand Dollars (\$75,000), in which event the Sellers shall only be liable for Losses in excess of Seventy-Five Thousand Dollars (\$75,000). For purposes of determining the aggregate amount of Losses for the preceding sentence, no effect shall be given to any individual Loss that does not exceed One Thousand Dollars (\$1,000). In no event shall the Buyer be entitled to indemnification for Losses arising under Paragraph 11.1, above, in excess of One Million Dollars (\$1,000,000). In addition, the Sellers' obligation to indemnify the Buyer hereunder shall survive the Closing until the later of: (a) six (6) months from the date of this Agreement, or (b) the earlier of (i) the date on which the Sellers file a plan of reorganization with the Bankruptcy Court, or (ii) the first (1st) anniversary of the Closing Date. Any claim for indemnification under Paragraph 11.1, above, made in writing prior to the expiration of such applicable survival period, and the rights of indemnity with respect thereto, shall survive such expiration until resolved or judicially determined, and any such claim not so made in writing prior to the expiration of such applicable survival period shall be deemed to have been waived.

11.5. Satisfaction of Claims. The Sellers and the Buyer acknowledge and agree that the Buyer shall recover the amount of any claim by the Buyer for which the Buyer seeks indemnification under Paragraph 11.1, above, from the funds held in escrow in accordance with the terms and conditions of the Escrow Agreement and that recourse to such funds shall be its only remedy for losses described under Paragraph 11.1.

11.6. Collection of Accounts Receivable.

(a) If, following the Closing, the Sellers shall collect any Accounts Receivable belonging to the Buyer, the Sellers shall hold the same in trust and shall promptly pay the same over to the Buyer.

(b) To the extent that any Accounts Receivable remain outstanding on the Closing Date, the Buyer shall use commercially reasonable efforts to collect such Accounts Receivable. Any funds collected by the Buyer in respect of any Account Receivable owed by an account debtor shall be applied to satisfy the oldest invoice on the books of the applicable Subject Business with respect to such account debtor, except that any payment that a customer designates as payment against a specific invoice shall be applied against such invoice and C.O.D. collections and advance payments shall be applied to the invoices to which they relate. In the event that the Buyer makes a claim for indemnification in accordance with Paragraph 11.1, above, as a result of Accounts Receivable not being collectible within one hundred twenty (120) days after the Closing

Date or otherwise, upon the request of the Sellers, the Buyer shall assign the applicable Accounts Receivable to the Sellers to the extent that (i) any individual Account Receivable exceeds \$50,000 and (ii) the aggregate of any Accounts Receivable owed by any individual account debtor exceeds \$50,000; *provided, however*, that the Sellers shall provide prior written notice to the Buyer of any contact with such an account debtor in connection with the collection of such an Account Receivable.

ARTICLE XII

Termination

12.1. Termination Events. This Agreement may, by notice given prior to or at the Closing, be terminated:

(a) By the Buyer if any of the conditions in Paragraph 4.1, above, have not been satisfied as of the Closing Date or if satisfaction of any such condition is or becomes impossible to satisfy (other than through the failure of the Buyer to comply with its obligations under this Agreement), including, without limitation, any Sellers acceptance of an offer to sell all or any portion of the Subject Assets to another purchaser, and the Buyer has not waived such a condition on or before the Closing Date;

(b) By the Sellers, if any of the conditions in Paragraph 4.2, above, have not been satisfied as of the Closing Date or if satisfaction of any such condition is or becomes impossible to satisfy (other than through the failure of the Sellers to comply with their obligations under this Agreement) and the Sellers have not waived such a condition on or before the Closing Date;

(c) By mutual consent of the Buyer and the Sellers; or

(d) By the Buyer if the Closing has not occurred (other than through the failure of any party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) on or before January 15, 2002 or such later date as the parties may agree upon.

(e) By the Sellers if the Closing has not occurred (other than through the failure of any party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) on or before February 1, 2002 or such later date as the parties may agree upon.

(f) By the Buyer if the Bankruptcy Court does not approve the bid protection contemplated by Paragraph 6.7, above, and the break-up fee contemplated by Paragraph 12.3, below, at the hearing contemplated by Paragraph 6.8, above.

12.2. Effect of Termination. Each party's right of termination under Paragraph 12.1, above, is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Paragraph 12.1, above, all further obligations of the parties under this

Agreement will terminate; *provided, however*, that the obligations of the respective parties in Paragraph 12.3 and Paragraph 14.1, below, will survive; *provided, further*, that if this Agreement is terminated by a party because of a breach of this Agreement by the other party or because one or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies, including without limitation, indemnification pursuant to Article XI, above, will survive such termination.

12.3. Break-Up Fee. Subject to the approval of the Bankruptcy Court at the hearing contemplated under Paragraph 6.8, above, if:

- (a) the Bankruptcy Court does not approve this Agreement by entering an order which shall become final and non-appealable by January 14, 2002;
- (b) the Sellers accept an offer to sell all or any portion of the Subject Assets to any party other than the Buyer; or
- (c) this Agreement is terminated by the Buyer under Paragraph 12.1(a), above, as a result of a material breach or nonfulfillment by any Seller of their material obligations under this Agreement; *provided, however*, that the Buyer shall provide prior written notice of such material breach or nonfulfillment to the Sellers and the Sellers shall have five (5) days to cure such material breach or nonfulfillment;

the Buyer shall be entitled to a break-up fee equal to Three Hundred Fifty Thousand Dollars (\$350,000), and shall be payable by the Sellers to the Buyer as an administrative claim under Section 503 of the Bankruptcy Code in immediately available funds within thirty (30) days of such termination without further order of the Bankruptcy Court. Notwithstanding anything to the contrary contained in this Paragraph 12.3 or in this Agreement, in no event shall the Buyer be entitled to a break-up fee where it has terminated this Agreement as a result of (i) its failure to be reasonably satisfied with the results of the Environmental Audit or its due diligence review other than as a result of the Seller's material breach or nonfulfillment of its material obligations under Paragraph 6.1, above, subject to the cure provisions contemplated under Paragraph 12.3(c), above, and/or (ii) its failure to enter into satisfactory employment, non-competition, non-solicitation and/or confidentiality arrangements with the key employees of the Subject Businesses and satisfactory employment and equity arrangements with the executive management of the Subject Businesses.

ARTICLE XIII

Definitions

"*Accounts Receivable*" has the meaning set forth in Paragraph 1.1(a).

"*Affiliate*" means with reference to any person or entity, another person or entity controlled by, under the control of or under common control with that person or entity.

"*Agreement*" means this Asset Purchase Agreement, as the same may be amended or modified from time to time.

"*Alkar*" has the meaning set forth in the preface to this Agreement.

"*Ancillary Agreements*" means as to any party the agreements, documents and instruments to be executed and delivered by such party pursuant to this Agreement.

"*Assignment and Assumption Agreement*" has the meaning set forth in Paragraph 4.1(q)(iii).

"*Assumed Contracts*" has the meaning set forth in Paragraph 1.1(n).

"*Assumed Liabilities*" has the meaning set forth in Paragraph 3.1.

"*Balance Sheet Date*" means September 30, 2001.

"*Bankruptcy Code*" has the meaning set forth in the preface to this Agreement.

"*Bankruptcy Court*" has the meaning set forth in the preface to this Agreement.

"*Buyer*" has the meaning set forth in the preface to this Agreement.

"*Buyer Parties*" has the meaning set forth in Paragraph 11.1.

"*Claiming Party*" has the meaning set forth in Paragraph 11.3(a).

"*Closing*" means the closing of the purchase and sale contemplated herein.

"*Closing Cash Payment*" has the meaning set forth in Paragraph 2.3(b).

"*Closing Date*" means the date on which the Closing occurs.

"*Closing Warranty Reserve*" means an amount equal to One Million Dollars (\$1,000,000).

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Competitor*" has the meaning set forth in Paragraph 10.1.

"*Confidential Information*" has the meaning set forth in Paragraph 10.2.

"*Continuing Employee*" has the meaning set forth in Paragraph 6.4(b).

"*Contracts*" has the meaning set forth in Paragraph 5.9.

"*DEC*" has the meaning set forth in the preface to this Agreement.

"Environmental Audit" means a review and investigation for purposes of determining whether the Sellers, the Subject Businesses, the Real Estate and the Subject Assets are in compliance with all Environmental Laws and whether there exists any condition or circumstance which requires or may require a clean up, removal or other remedial action under Environmental Laws on the part of the Sellers and/or the Subject Businesses.

"Environmental Claim" means any investigation, notice, violation, demand, allegation, action, suit, injunction, order, consent decree, penalty, fine, lien, proceeding or claim (whether administrative, judicial or private in nature) arising (a) pursuant to, or in connection with, an actual or alleged violation of any Environmental Law; (b) in connection with any Hazardous Substances; (c) from any abatement, removal, remedial, corrective or other response action in connection with Hazardous Substances, Environmental Law or other order of a governmental authority; or (d) from any actual or alleged damage, injury, threat, or harm to health, safety, natural resources, wildlife or the environment.

"Environmental Law" means any of the federal, state, foreign and local statutory laws, ordinances, codes, rules, regulations, approvals or requirements of any governmental authority, and any court orders, administrative orders, executive orders, consent decrees, injunctions, judgments, and common law pertaining to (i) health, safety, natural resources, wildlife or the environment, or (ii) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, release, threatened release, abatement, removal, remediation or handling of, or exposure to, any petroleum products or Hazardous Substances and all amendments, modifications and additions thereto, in each case as amended to date including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, codified at 42 U.S.C. 9601 *et seq.*, as amended by the Superfund Amendments and Reauthorization Act of 1986, the Solid Waste Disposal Act, codified at 42 U.S.C. 6901 *et seq.*, as amended by the Resource Conservation and Recovery Act of 1976 and the Hazardous and Solid Waste Amendment of 1984 ("RCRA"), the Toxic Substances Control Act of 1976, codified at 15 U.S.C. 2601 *et seq.*, the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, codified at 33 U.S.C. 1251 *et seq.*, the Clean Air Act of 1966, codified at 42 U.S.C. 741 *et seq.*, the Hazardous Materials Transportation Act, codified at 49 U.S.C. 651 *et seq.*, the Oil Pollution Act of 1990, codified at 33 U.S.C. 2701 *et seq.*, the Emergency Planning and Community Right-To-Know Act of 1986, codified at 42 U.S.C. 11001, *et seq.*, the National Environmental Policy Act of 1969, codified at 42 U.S.C. 4321, *et seq.*, the Occupational Safety and Health Act of 1970, and the Safe Drinking Water Act of 1974, codified at 42 U.S.C. 300(f), *et seq.*, or any similar, implementing or successor law.

"Equipment" has the meaning set forth in Paragraph 1.1(e).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"Escrowed Amount" has the meaning set forth in Paragraph 2.3(a).

"Escrow Agreement" has the meaning set forth in Paragraph 2.3(a).

"Excluded Assets" has the meaning set forth in Paragraph 1.2.

"Excluded Liabilities" has the meaning set forth in Paragraph 3.2.

"Financial Statements" means the financial statements of the Subject Businesses attached hereto as Schedule 5.6 including, without limitation, the financial statements of the Subject Businesses in and for the fiscal periods ended December 31, 1998, December 31, 1999, December 31, 2000 and the interim financial statements for the period ended September 30, 2001.

"Foreign Qualifications" has the meaning set forth in Paragraph 5.1.

"GAAP" means United States generally accepted accounting principles, consistently applied.

"Hanson Agreement" has the meaning set forth in Paragraph 1.2.

"Hazardous Substances" shall mean and include any substance, chemical, compound, product, solid, gas, liquid, waste, byproduct, material, pollutant or contaminant which is hazardous, toxic or otherwise harmful to health, safety, natural resources, wildlife or the environment including, without limitation, asbestos (whether friable or not), lead, PCB's, radon and urea formaldehyde foam, petroleum and petroleum products, hazardous waste, which is included or defined under or regulated by any Environmental Law.

"Hinderaker Agreement" has the meaning set forth in Paragraph 1.2.

"Indemnifying Party" has the meaning set forth in Paragraph 11.3(a).

"Intellectual Property" has the meaning set forth in Paragraph 5.5.

"Inventory" has the meaning set forth in Paragraph 1.1(d).

"Law" means any constitution, statute, law, ordinance, regulation or rule of any federal, state, municipal, foreign, territorial or other governmental, administrative or regulatory body, subdivision, agency, department, commission, board, bureau or instrumentality.

"Leased Real Estate" means the real estate leased by the Sellers relating to the Subject Businesses.

"Licenses" has the meaning set forth in Paragraph 5.5(b).

"Losses" means all damages, losses, deficiencies, actions, demands, judgments, fines, fees, costs and expenses, including, without limitation, attorneys' and accountants' fees.

"Material Adverse Effect" means an event, condition, circumstance, act, omission or effect which, individually or in the aggregate with other similar events, conditions, circumstances, acts, omissions or effects: (i) which has a material adverse effect on the financial condition, assets, liabilities, obligations or operations of the Sellers or the Subject Businesses, taken as a whole (considering, in the case of liabilities and obligations of the Sellers, only the

Assumed Liabilities), or (ii) has or will have a direct adverse financial consequence to the Subject Businesses of Two Hundred Fifty Thousand Dollars (\$250,000).

"Permitted Liens" has the meaning set forth in Paragraph 5.2.

"Permitted Real Estate Encumbrances" means (i) the lien of all ad valorem real estate taxes and assessments not yet due and payable; (ii) local, state and federal laws, ordinances or governmental regulations, including but not limited to, building and zoning laws, ordinances and regulations, now or hereafter in effect relating to the Real Estate; (iii) items appearing of record which shall not substantially materially impair the use of the Real Estate for the continuation of the operation of Subject Businesses thereon; (iv) state of facts that an accurate survey would disclose, provided that such facts do not render title unmarketable; (v) financing statements, chattel mortgages and liens on personalty filed more than five (5) years prior to the Closing Date and not renewed or filed against property or equipment no longer located on the Real Estate or owned by any tenant; (vi) rights of utility companies under recorded easements to lay, maintain, install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Real Estate; (vii) any liens to be discharged by the Bankruptcy Court; and (viii) those liens and encumbrances set forth in Schedule 5.3.

"Petition" has the meaning set forth in the preface to this Agreement.

"Plan" has the meaning set forth in Paragraph 5.14.

"Planning Commission" has the meaning set forth in Paragraph 2.5.

"Purchase Price" has the meaning set forth in Paragraph 2.2.

"Purchased Real Estate" has the meaning set forth in Paragraph 1.1(f).

"RCRA" has the meaning set forth in the definition of Environmental Law in this Article

XII.

"Real Estate" means the Leased Real Estate and the Purchased Real Estate.

"Records" has the meaning set forth in Paragraph 1.1(h).

"Restricted Period" has the meaning set forth in Paragraph 10.1.

"Sani-Matic Property" has the meaning set forth in Paragraph 2.5.

"Schedules" means the schedules attached hereto which sets forth exceptions to the Sellers' representations and warranties.

"Seller Parties" has the meaning set forth in Paragraph 11.2.

"Sellers" has the meaning set forth in the preface to this Agreement.

"Subject Assets" has the meaning set forth in Paragraph 1.1.

"*Subject Businesses*" has the meaning set forth in the preface to this Agreement.

"*Subsidiaries*" with respect to any person, means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) fifty percent (50%) or more of (i) the outstanding capital stock or other equity interest having voting power to elect a majority of the Board of Directors of such corporation or persons having a similar role as to an entity that is not a corporation, (ii) the interest in the profits of such partnership or joint venture, or (iii) the beneficial interest of such trust or estate, are at such time directly or indirectly owned by such person or one or more of such person's Subsidiaries.

"*Tax*" means all federal, state, county, local, foreign and other taxes or assessments including, without limitation, income, estimated income, business, occupation, franchise, property (real and personal), sales, employment, gross receipts, use, transfer, ad valorem, profits, license, capital, payroll, employee withholding, unemployment, excise, goods and services, severance, stamp and including interest, penalties and additions in connection therewith for which any Seller is or may be liable.

ARTICLE XIV

Miscellaneous

14.1. Expenses. Except as otherwise specifically provided herein, the parties hereto shall pay their own expenses, including, without limitation, accountants' and attorneys' fees incurred in connection with the negotiation and consummation of the transactions contemplated by this Agreement. The Buyer shall be liable for and shall pay and discharge when due any sales, use or transfer taxes incurred and/or payable in connection with the purchase and sale of the Subject Assets and the Real Estate pursuant to this Agreement.

14.2. Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered to be given and received in all respects when hand delivered, when sent by prepaid express or courier delivery service, when sent by facsimile transmission actually received by the receiving equipment or five (5) days after deposited in the United States mail, certified mail, postage prepaid, return receipt requested, in each case addressed as follows, or to such other address as shall be designated by notice duly given:

IF TO THE BUYER:

Facilitator Capital Fund
5133 West Terrace Drive, Suite 204
Madison, Wisconsin 53718
Fax No.: (608) 227-2901
Attention: Scott Roeper

With a Copy To: Godfrey & Kahn, S.C.
780 North Water Street
Milwaukee, Wisconsin 53202
Fax No.: (414) 273-5198
Attention: John A. Dickens

IF TO THE SELLERS: DEC International, Inc.
1919 South Stoughton Road
Madison, Wisconsin 53708-8050
Fax No.: (608) 222-4560
Attention: William Thompson

With a Copy To: Kaye Scholer LLP
311 South Wacker Drive
Chicago, Illinois 60606
Fax No.: (312) 583-2360
Attention: Stephen E. Garcia

14.3. Right to Specific Performance. The parties agree that the Subject Assets, the Real Estate and the Subject Businesses as a going concern constitute unique property, that there is no adequate remedy at law for the damage which any of them might sustain for the failure of the others to consummate this Agreement, and, accordingly, that each of them is entitled to the remedy of specific performance to enforce such consummation.

14.4. Entire Agreement. This Agreement (including the Schedules), the exhibits attached hereto and Ancillary Agreements constitute the entire agreement between the parties hereto relating to the subject matter hereof, and all prior agreements, correspondence, discussions and understandings of the parties (whether oral or written) are merged herein and made a part hereof, it being the intention of the parties hereto that this Agreement and the instruments and agreements contemplated hereby shall serve as the complete and exclusive statement of the terms of their agreement together. No amendment, waiver or modification hereto or hereunder shall be valid unless in writing signed by an authorized signatory of the party or parties to be affected thereby.

14.5. Assignment. This Agreement and the rights hereunder shall not be assignable or transferable by the Sellers without the prior written consent of the Buyer. This Agreement and the rights hereunder shall be freely assignable by the Buyer to an Affiliate contemporaneous with the Closing subject to compliance with the following sentence. Upon such assignment, the Buyer shall relinquish all rights and be released of all liabilities and obligations arising under this Agreement, so long as the assignee has agreed in writing reasonably acceptable to the Sellers to assume such rights and obligations.

14.6. Binding Effect. This Agreement shall be binding upon the parties hereto and their respective heirs, successors, legal representatives and permitted assigns.

14.7. Paragraph Headings. The headings in this Agreement are for purposes of convenience and ease of reference only and shall not be construed to limit or otherwise affect the meaning of any part of this Agreement.

14.8. Severability. If any provision of this Agreement, or any covenant, obligation or agreement contained herein is determined by a court to be invalid or unenforceable, such determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if such invalid or unenforceable provision were not contained herein. Such invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each such provision, covenant, obligation or agreement, shall be deemed to be effective, operative, made, entered into or taken in the manner and to the fullest extent permitted by law.

14.9. Applicable Law; Jurisdiction. This Agreement and all questions arising in connection herewith shall be governed by and construed in accordance with the laws of the State of Wisconsin. All disputes arising hereunder shall be resolved by the Bankruptcy Court, and in the event the Bankruptcy Court cannot obtain jurisdiction over such dispute, then such dispute shall be resolved in state or federal courts located in Dane County, Wisconsin. The parties hereto irrevocably consent to the jurisdiction of such courts. The parties waive any objection to venue. If either party shall prevail in any litigation or other dispute instituted by or against the other party related to this Agreement, the prevailing party shall receive from the other party all costs and expenses (including reasonable attorneys' fees) incurred by the prevailing party in such litigation.

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

14.11. Passage of Title. Legal title, equitable title and risk of loss with respect to the Subject Assets will not pass to the Buyer until the Subject Assets are transferred at the Closing, which transfer, once it has occurred, will, except as otherwise specified herein, be deemed effective for tax, accounting and other computational purposes as of 11:59 p.m. on the Closing Date.

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

SELLERS:

**DEC INTERNATIONAL, INC.,
DEBTOR IN POSSESSION**

By: _____ (Title)

**RAPIDPAK, INC.,
DEBTOR IN POSSESSION**

By: _____ (Title)

BUYER:

**FACILITATOR CAPITAL FUND,
LIMITED PARTNERSHIP**

By: _____ (Title)

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

SELLERS:

**DEC INTERNATIONAL, INC.,
DEBTOR IN POSSESSION**

By: Chris R. Hennemann *Treasurer*
(Title)

**RAPIDPAK, INC.,
DEBTOR IN POSSESSION**

By: Chris R. Hennemann *Treasurer*
(Title)

BUYER:

**FACILITATOR CAPITAL FUND,
LIMITED PARTNERSHIP**

By: _____ (Title)

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

SELLERS:

**DEC INTERNATIONAL, INC.,
DEBTOR IN POSSESSION**

By: _____ (Title)

**RAPIDPAK, INC.,
DEBTOR IN POSSESSION**

By: _____ (Title)

BUYER:

**FACILITATOR CAPITAL FUND,
LIMITED PARTNERSHIP**

By: *J. Taylor* (Title)
Managing Director

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AMENDMENT TO ASSET PURCHASE AGREEMENT

This Amendment to Asset Purchase Agreement (this "Agreement") is made as of December 19, 2001 among Facilitator Capital Fund, a Wisconsin limited partnership (the "Buyer"), DEC International, Inc., debtor in possession, a Wisconsin corporation ("DEC") and RapidPak, Inc., debtor in possession, a Wisconsin corporation ("RapidPak").

WHEREAS, the Buyer, DEC and RapidPak entered into that certain Asset Purchase Agreement, dated November 14, 2001 (the "Asset Purchase Agreement"; capitalized terms used and not otherwise defined herein shall have the meanings attributed to such terms in the Asset Purchase Agreement); and

WHEREAS, the parties hereto have agreed to amend the Asset Purchase Agreement on the terms and subject to the conditions herein set forth.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Amendments to Asset Purchase Agreement

a. Schedule 1.1(j) to the Asset Purchase Agreement is hereby amended as follows:

(i) The following U.S. Patents and their associated descriptions appearing in the "Patents-Alkar" table shall be deleted in their entirety: (x) U.S. Patent No. 4,665,812; (y) U.S. Patent No. 4,817,511; and (z) U.S. Patent No. 5,398,600.

(ii) U.S. Patent Application No. 08/566,682 and its associated description appearing in the "Patents - Sani-Matic" table shall be deleted in its entirety and the following U.S. Patent and associated description shall be substituted therefor:

"5,807,427	9/15/98	Gas/Liquid Separator With Controllable Variable Level"
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(iii) U.S. Patent No. 5,205,110 and its associated description appearing in the "Patents - RapidPak" table shall be amended and restated in its entirety as follows:

"5,205,110	4/27/1993	Machine and Method (Reexamination requested by RapidPak on 2/04/00; Req. No. 90/005631)."
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(iv) The following trademark and associated description shall be added to the "Trademarks - Alkar" table:

"United States 994,640 10/1/74 Alkar"

b. Schedule 1.1(n) to the Asset Purchase Agreement is hereby amended as follows:

(i) The following agreement shall be added as paragraph A(1)(II):

"Contract #3221, dated April 2, 2001, between Alkar and Shady Brook Farms (Rocco)."

(iii) The following agreements shall be added as paragraphs B(7), B(8) and B(9) respectively:

"General Agreement, dated June 8, 1993, between Tetra Rex Packaging Systems Inc. and Sani-Matic."

"Secrecy Agreement, dated June 8, 1993, between Tetra Rex Packaging Systems Inc. and Sani-Matic."

"Annual Agreement, dated June 8, 1993, between Tetra Rex Packaging Systems Inc. and Sani-Matic."

(iii) The following agreement appearing in paragraph C(5) thereof shall be deleted in its entirety and the words "Intentionally Omitted" shall be substituted therefor:

"Lease Agreement, dated October 14, 1998, by and between RapidPak and R&R Holdings LLP".

2. Environmental Claim. The Sellers acknowledge and agree that the Buyer has discovered and disclosed to the Sellers a condition on the Sani-Matic Property that requires reporting to the Wisconsin Department of Natural Resources (the "WDNR"). DEC shall promptly report to the WDNR the results of soil sampling conducted by the Buyer on the Sani-Matic Property on November 16, 2001 and December 4, 2001 indicating the presence of certain contaminants in soil in the vicinity of a former paint sump on the east side of the Sani-Matic Property. The parties agree that they shall jointly perform an investigation and remediation of these contaminants to the extent required by WDNR in accordance with Environmental Law and shall obtain Case Closure (as such term is defined in Wisconsin Administrative Code Chapter NR726). Case Closure may not be conditioned upon restrictions or limitations which are inconsistent in any material respect with or which would impair in any material respect the continued use of the Sani-Matic Property as a manufacturing facility. All necessary investigation

and remediation shall be performed by engineers selected by the Buyer with DEC's prior approval and all submissions to WDNR concerning such remediation or investigation shall be subject to DEC's prior approval, in either case such approval shall not be unreasonably withheld by DEC. The costs of investigation and remediation required by Environmental Law at the above-described area of contamination shall be indemnifiable by Sellers pursuant to and in accordance with Article 11 of the Asset Purchase Agreement. The Buyer acknowledges and agrees that all of the Sellers' obligations under this Section 2 shall be subject in all respects to the limitations and other conditions relating to the Sellers' indemnification obligations which are set forth in Article 11 of the Asset Purchase Agreement, including without limitation, Paragraphs 11.4 and 11.5 thereof, and that the Sellers shall have no liability for the matters covered hereunder other than pursuant to Article 11 of the Agreement.

3. Expiration of Certain Conditions. The Buyer and the Sellers acknowledge and agree that the conditions set forth in Paragraphs 4.1(c), 4.1(e) and 4.2(d) of the Asset Purchase Agreement have expired.

4. Miscellaneous.

a. Except as provided herein, the Asset Purchase Agreement shall remain unchanged and in full force and effect.

b. Each of the amendments set forth in Section 1 of this Agreement shall be deemed to be effective as of November 14, 2001 for all purposes under the Asset Purchase Agreement.


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

d. This Agreement and all questions arising in connection herewith shall be governed by and construed in accordance with the laws of the State of Wisconsin. All disputes arising hereunder shall be resolved by the Bankruptcy Court, and in the event the Bankruptcy Court cannot obtain jurisdiction over such dispute, then such dispute shall be resolved in state or federal courts located in Dane County, Wisconsin. The parties hereto irrevocably consent to the jurisdiction of such courts. The parties waive any objection to venue.


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IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Asset Purchase Agreement as of the date first above written.

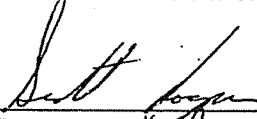
DEC INTERNATIONAL, INC.,
DEBTOR IN POSSESSION

By: 
Name: *Chris R. Hennemann*
Title: *Treasurer*

RAPIDPAK, INC.,
DEBTOR IN POSSESSION

By: 
Name: *Chris R. Hennemann*
Title: *Treasurer*

FACILITATOR CAPITAL FUND,
LIMITED PARTNERSHIP

By: 
Name: *Scott Raper*
Title: *Managing Director*