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WATER RESOURCES
WESTERN REGIONSTATE OF IDAHO
IDAHO DEPARTMENT OF WATER RESOURCES
NOTICE OF CHANGE OF WATER RIGHT OWNERSHIPPlease print or type. Attach pages with additional information. Instructions are on the back of this page.
Incomplete forms will be returned.

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WATER RESOURCES
WESTERN REGION

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Department of Water Resources

1. Water Right No(s): _____

Adjudication Claim No(s): 103-302022. The following **REQUIRED** information must be submitted with this form:A. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water rights or claims in question, **WITH ATTACHED LEGAL DESCRIPTION.**

AND

B. **PLAT OF PROPERTY** or **SURVEY MAP** showing the location of the place of use of the water right(s) or claim(s).
(These are usually attached to your deed or on file with the county.)

OR

C. If your water right or adjudication claim is for ten or more acres of irrigation, you must submit a USDA Farm Service Agency **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The **AERIAL PHOTO** should be submitted in place of the **PLAT OF PROPERTY** or **SURVEY MAP**.3. Name and Address of Former Owner/Claimant Sunseeds Genetics Inc.4. New Owner/Claimant(s) Sunseeds Co.Name Connector (Check one): ☐ and, ☐ or, ☐ and/orNew Mailing Address 1200 Anderson Corner Rd.City, State and ZIP Code Parma, ID 83660New Telephone Number (208) 674-2208

5. Date you acquired the property _____

6. Did you acquire all of the former owner's property? If you did, skip this item and go to item 7. If you acquired only a portion of the former owner's property, IDWR may need to split the water right(s) or adjudication claim(s). Describe in detail your portion of each water right or adjudication claim in the spaces in the box below **only if the water right(s) or claim(s) need to be split between owners.** If necessary, attach additional pages. If a water right or adjudication claim is being split and you are not sure how to identify your portion of the original right or claim, please contact the nearest IDWR office for assistance.

Number of acres you irrigate with this water right _____ Number and type of stock _____

Diversion rate in CFS _____ Number of homes you acquired _____ Other uses _____

7. Signature of New Owner(s) or Claimant(s) Ed Baskowski

Corporations or other organizations must submit a list of directors and/or officers demonstrating authority to sign form.

8. For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him or her for all matters related to your claims.

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INSTRUCTIONS

This form has been prepared to assist new owners of property to comply with the requirements of Sections 42-248 and 42-1409(6), Idaho Code. Section 42-248 requires certain property holders to notify the Department of Water Resources (IDWR) of any change in mailing address or ownership of all or part of a water right record on file with IDWR. Section 42-1409(6) provides that new property owners must notify IDWR of any change in ownership of a water right during an adjudication of water rights. Required claims may be filed by a new owner.

Separate brochures are available from IDWR describing the adjudication of water rights and the requirement to notify IDWR of changes in ownership. Please contact your nearest IDWR office, or call 1-800-451-4129, if you would like more information or need help completing this form. Please attach additional sheets to the form if you require additional space to describe or explain any of the items on the form.

1. If there are water rights associated with the property, the seller should be able to provide you with the water right or adjudication claim number(s). Please enter these number(s) at **Item 1**. If you or the seller believes there are water rights for the property but the numbers are unknown, you may wish to contact IDWR for assistance in identifying the water rights for the property in question. If claims for the rights are required, and have not been filed, IDWR will so advise you.
2. The information described at **Item 2** is required, since IDWR cannot process the requested change without documentation of ownership. The preferred types of documentation are shown; contact IDWR if you have difficulty obtaining this information. Do not obtain a new survey for purposes of this form before contacting IDWR.
3. Please provide the name and address of the former owner of the water right and/or adjudication claim at **Item 3**.
4. The name, mailing address, and telephone number of the new owner(s) is entered at **Item 4**. Please indicate the relationship between multiple owners by using the connector 'and', 'or', or 'and/or'. If an 'and' is used, all parties must sign this form. If an 'and/or' or 'or' is used, all parties may sign. However, only one of the named parties is required to sign.
5. At **Item 5**, please provide the date the property in question was acquired. This may be the date of "closing" in the case of a real estate transaction or the date of court order for other types of ownership changes.
6. You may be purchasing only a portion of the total water right held by the seller. This means the water right held by the seller may be "split" to provide your share of the right in question. Be sure to include a description of the portion of the water right you have purchased at **Item 6**.

Please provide as much detail as possible concerning your portion of the water right: include the number of homes you acquired, number of acres irrigated with your portion of the right, if it is more than 1/2 acre, type and number of stock if your portion of the right includes stockwater, etc. In the absence of information to the contrary, IDWR will assume the intent is to split the rights *proportionately*.

7. The new owner(s) must sign the form in the space(s) provided at **Item 7**. Corporations and other organizations must submit a list of directors or officers demonstrating the authority of the director or officer to sign the form.
8. There is no filing fee. When complete, you should retain a copy and return the original of the form to the IDWR office nearest you:

IDWR Western Region
2735 Airport Way
Boise, ID 83705-5082
(208) 334-2190

IDWR Southern Region
1341 Fillmore St., Suite 200
Twin Falls, ID 83301-3380
(208) 736-3033

IDWR Northern Region
1910 Northwest Blvd., Suite 210
Coeur d'Alene, ID 83814-2615
(208) 769-1450

IDWR Eastern Region
900 N. Skyline Dr., Suite A
Idaho Falls, ID 83402-1718
(208) 525-7161

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WATER RESOURCES
WESTERN REGIONBOE-401-A (FRONT)
REV. 83 (4-00)250 SOUTH SECOND STREET
SAN JOSE CA 95113-2706

408-277-1807

STATE OF CALIF
BOARD OF EQUALIZAT

STATE, LOCAL and DISTRICT SALES and USE TAX RETURN

DUE ON OR BEFORE Jul 31, 2000 for Apr through Jun 2000

2200

[FOID 4-071-485]

1

SR GH

YOUR ACCOUNT NO.

99-568084

2

S
BOARD OF EQUALIZATION
P.O. BOX 942879
SACRAMENTO, CA 94279-805618640 SUTTER BLVD
SUNSEEDS COMPANY
P.O. BOX 2078
MORGAN HILL, CA 95038-2078

BOARD USE ONLY

RA-TT LOC R

RA-BTR AACS F

EFF

43004-064-000

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RT-AA

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READ INSTRUCTIONS
BEFORE PREPAR

1. TOTAL (GROSS) SALES

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TOTAL P.02

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Department of Water Resources

October 24, 2003

Mr. James F. Token
State of Idaho
Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

Dear Mr. Token:

In response to your letter dated October 3, 2003, attached, please find the copies of the information you requested in order to process the change of ownership for water degree right No. 63-30202. Items provided are: 1) Stock purchase agreement as evidence of water right ownership and 2) Schedule 5.1b (a) real property as legal description of the property.

Should there be additional need for information, please contact me directly at 208-674-4012.

Sincerely,

Ed Bartkowski
Director of Operations

Enc.

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STOCK PURCHASE AGREEMENT

BY AND AMONG

NUNZA B.V.,

SUNSEED CORPORATION

and

THE STOCKHOLDERS OF SUNSEED CORPORATION

Dated as of
September 15, 1997

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STOCK PURCHASE AGREEMENT ("Agreement"), dated as of September 15, 1997, by and among Nunza B.V., a Netherlands corporation ("Purchaser"), Sunseed Corporation, a Delaware corporation (the "Company"), and each of the stockholders of the Company set forth on Schedule I to this Agreement (collectively, the "Stockholders").

W I T N E S S E T H :

WHEREAS, the Stockholders are the record and beneficial owners of all of the issued and outstanding shares of common stock, par value per share, of the Company (the "Company Shares") and, except as otherwise noted on Schedule 5.1(b) hereto, the Company is the record and beneficial owner, directly or indirectly, of all of the issued and outstanding shares (the "Subsidiary Shares") of capital stock of the Company's Subsidiaries (as hereinafter defined);

WHEREAS, Purchaser desires to acquire from the Stockholders and the Stockholders desire to sell to Purchaser the Company and the Company's interest in each of the Subsidiaries through a purchase of all of the Company Shares from the Stockholders (the "Stock Purchase"), on the terms and subject to the conditions contained herein; and

WHEREAS, the respective Board of Directors of each of the Company and Purchaser has approved this Agreement and the transactions contemplated hereby.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein, and subject to and on the terms and conditions herein set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND TERMS

Section 1.1 Certain Definitions. As used in this Agreement, the following terms shall have the meanings set forth or as referenced below:

"Affiliate" shall mean, as to any Person (as hereinafter defined), any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. The term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as applied to any Person, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other ownership interest, by contract or otherwise.

"Affiliate Agreements" shall have the meaning set forth in Section 7.8 hereof.

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"Aggregate Purchase Price" shall have the meaning set forth in Section 3.5(a) hereof.

"Agreement" shall mean this Agreement, as the same may be amended or supplemented from time to time in accordance with the terms hereof.

"Balance Sheet" shall have the meaning set forth in Section 5.3(a) hereof.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banks in the City of New York are authorized or obligated by law or executive order to close.

"Closing" shall mean the closing of the transactions contemplated by this Agreement, as provided for in Section 3.1 hereof.

"Closing Date" shall have the meaning set forth in Section 3.1 hereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Company" shall have the meaning set forth in the recitals hereto.

"Company Expenses" shall mean fees and expenses payable to J.P. Morgan Securities, Inc., all legal fees and expenses incurred by the Company in connection with the transactions contemplated by this Agreement and all "stay bonuses" payable to its employees.

"Company Shares" shall have the meaning set forth in the recitals hereto.

"Competition Laws" shall mean foreign statutes, rules, regulations, orders, decrees, administrative and judicial doctrines, and other foreign laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization, lessening of competition or restraint of trade, including, without limitation, the Investment Canada Act and the Canadian Competition Act.

"Confidentiality Agreement" shall mean the Confidentiality Agreement, dated May 7, 1997, between Purchaser and the Company.

"Consents" shall have the meaning set forth in Section 5.7(a) hereof.

"Contracts" shall have the meaning set forth in Section 5.13(a) hereof.

"Credit Agreement" shall mean the Second Amended and Restated Credit Agreement, dated as of June 28, 1996, among the Company, Sunseeds Company, the banks and other financial institutions party thereto and IBJ Schroder Bank & Trust Company.

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"Damages" shall have the meaning set forth in Section 9.1 hereof.

"Environmental Claim" means any claim, action, cause of action, investigation or written notice by any person or entity alleging potential liability (including, without limitation, potential liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries, or penalties) arising out of, based on or resulting from (a) the presence or Release of any Hazardous Materials at any location, whether or not owned or operated by any of the Stockholders, the Company or any Subsidiary, or (b) circumstances forming the basis of any violation of any Environmental Law.

"Environmental Laws" shall mean all federal, state, local and foreign laws and regulations relating to pollution or protection of human health or the environment, including laws relating to Releases or threatened Releases of Hazardous Materials or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials and all laws and regulations with regard to recordkeeping, notification, disclosure and reporting requirements respecting Hazardous Materials.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" shall mean each trade or business (whether or not incorporated) that together with the Company would be deemed to be a "single employer" within the meaning of Section 4001 of ERISA.

"ERISA Plans" shall have the meaning set forth in Section 5.12(a) hereof.

"Escrow Agreement" shall have the meaning set forth in Section 7.11 hereof.

"Financial Statements" shall have the meaning set forth in Section 5.3(a) hereof.

"Foreign Plans" shall have the meaning set forth in Section 5.12(m) hereof.

"GAAP" shall mean United States generally accepted accounting principles and practices in effect from time to time as consistently applied.

"Governmental Authority" shall have the meaning set forth in Section 5.7(a) hereof.

"Hazardous Materials" shall mean all materials regulated by law as capable of causing harm or injury to human health or the environment, including (a) Hazardous Substances (as hereinafter defined), (b) friable asbestos containing material, (c) polychlorinated biphenyls, (d) highly toxic materials as defined by OSHA in 29 C.F.R. § 1910.1200, (e)

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radioactive materials and (f) all substances defined as Hazardous Substances, Oils, Pollutants or Contaminants in the National Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R. § 300.5, or defined as such by, or regulated as such under, any Environmental Law.

"Hazardous Substances" shall mean any hazardous substances within the meaning of Section 101(14) of CERCLA, 42 U.S.C. § 9601(14), or any pollutant or constituent that is regulated under any Environmental Law.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Indebtedness" of any Person at any date shall include (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than current trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices), (b) any other indebtedness of such Person that is evidenced by a note, bond, debenture or similar instrument, (c) all obligations of such Person in respect of acceptances issued or created for the account of such Person, (d) all liabilities secured by any Lien (as hereinafter defined) on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof and (e) all direct or indirect guarantees of any of the foregoing for the benefit of another Person.

"Intellectual Property" shall have the meaning set forth in Section 5.19 hereof.

"IRS" shall mean the Internal Revenue Service of the United States.

"Labor Laws" shall have the meaning set forth in Section 5.17 hereof.

"Laws" shall mean any federal, state, local or foreign law, statute, ordinance, rule, regulation, order, judgment or decree, administrative order or decree, administrative or judicial decision, and any other executive or legislative proclamation.

"Leased Realty" shall have the meaning set forth in Section 5.16(a) hereof.

"Leases" shall have the meaning set forth in Section 5.16(c) hereof.

"Liens" shall mean any lien, security interest, mortgage, pledge, charge or similar encumbrance.

"Litigation" shall have the meaning set forth in Section 5.8(a) hereof.

"Material Adverse Effect" shall mean a material adverse effect on the business, results of operations or financial condition of the Company and the Subsidiaries, taken

as a whole; provided, however, that in no event shall claims based on alleged *Corynebacterium* contamination constitute a Material Adverse Effect.

"Options" shall have the meaning set forth in Section 2.4 hereof.

"Owned Realty" shall have the meaning set forth in Section 5.16(a) hereof.

"PBGC" shall have the meaning set forth in Section 5.12(b) hereof.

"PCBs" shall have the meaning set forth in Section 5.15(c) hereof.

"Per Share Escrow Amount" shall mean the quotient of (i) \$ divided by (ii) the number of issued and outstanding Company Shares plus the number of Company Shares covered by Options that are cancelled pursuant to Section 2.4.

"Per Share Purchase Price" shall have the meaning set forth in Section 3.5(b) hereof.

"Permits" shall have the meaning set forth in Section 5.10 hereof.

"Permitted Liens" means (i) mechanics', carriers', workmen's, repairmen's or other like Liens arising or incurred in the ordinary course of business with respect to liabilities that are not yet due or delinquent, (ii) Liens for Taxes (as hereinafter defined), assessments and other governmental charges which are not due and payable or which may hereafter be paid without penalty or which are being contested in good faith by appropriate proceedings (for which reserves have been made in the Financial Statements in accordance with GAAP) and (iii) other imperfections of title or encumbrances, if any, which imperfections of title or other encumbrances, individually or in the aggregate, would not materially detract from the value of the property or asset to which it relates or materially impair the ability of the Company or the Subsidiaries (as hereinafter defined) to use the property or asset to which it relates in substantially the same manner as it was used prior to the Closing Date.

"Person" shall mean an individual, a corporation, a partnership, an association, a trust or other entity or organization.

"Plans" shall have the meaning set forth in Section 5.12(a) hereof.

"Prime Rate" shall mean the prime lending rate of interest of Citibank, N.A. as published from time to time in The Wall Street Journal.

"Purchaser" shall have the meaning set forth in the recitals hereto.

"Purchaser Group" shall have the meaning set forth in Section 9.1 hereof.

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"Related Party Agreements" shall have the meaning set forth in Section 5.9 hereof.

"Release" shall mean any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment (including ambient air, surface water, groundwater and surface or subsurface strata), or into or out of any property, including the movement of Hazardous Materials through or in the air, soil, surface water, groundwater or property.

"Representative" shall have the meaning set forth in Section 7.12 hereof.

"Schedule" shall mean the disclosure schedule being delivered by the Stockholders and the Company concurrently with the execution of this Agreement.

"Stock Option Plan" shall have the meaning set forth in Section 7.13 hereof.

"Stock Purchase" shall have the meaning set forth in the recitals hereto.

"Stockholder Claims" shall have the meaning set forth in Section 9.1 hereof.

"Stockholders" shall have the meaning set forth in the recitals hereto.

"Subsidiary" shall have the meaning set forth in Section 5.1(b) hereof.

"Subsidiary Shares" shall have the meaning set forth in the recitals hereto.

"Tax Law" shall mean any Law relating to Taxes.

"Tax Return" shall mean any return, report, information return or other document (including any related or supporting information) with respect to Taxes.

"Taxes" shall mean all taxes, charges, fees, duties, levies, penalties or other assessments imposed by any federal, state, local or foreign Governmental Authority, including, but not limited to, income, gross receipts, excise, property, sales, gain, use, license, capital stock, transfer, franchise, payroll, withholding, social security, value added or other taxes, including any interest, penalties or additions attributable thereto.

"Updated Information" shall have the meaning set forth in Section 7.9 hereof.

"WARN Act" shall have the meaning set forth in Section 5.17 hereof.

Section 1.2 Other Terms. Other terms may be defined elsewhere in the text of this Agreement and, unless otherwise indicated, shall have such meaning throughout this Agreement.

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Section 1.3 Other Definitional Provisions.

(a) The words "hereof", "herein", "hereto", "hereunder" and "hereinafter" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(b) The terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa.

(c) The term "dollars" and character "\$" shall mean United States dollars.

(d) The word "including" shall mean including, without limitation, and the words "include" and "includes" shall have corresponding meanings.

ARTICLE II

PURCHASE AND SALE OF COMPANY SHARES AND OPTIONS

Section 2.1 Purchase and Sale of the Company Shares. Upon the terms and subject to the conditions of this Agreement, at the Closing, the Stockholders shall sell, convey, assign, transfer and deliver to Purchaser, and Purchaser shall purchase, acquire and accept from the Stockholders, all right, title and interest in and to the Company Shares, free and clear of any and all Liens.

Section 2.2 Conveyance. Such sale, conveyance, assignment, transfer and delivery shall be effected by delivery by the Stockholders to Purchaser or, at Purchaser's request, to any other designee of Purchaser, of stock certificates representing the Company Shares, duly endorsed or accompanied by stock powers duly executed in blank with appropriate transfer stamps, if any, affixed, and any other documents that are necessary to transfer title to the Company Shares to Purchaser (or any designee of Purchaser), free and clear of any and all Liens.

Section 2.3 Consideration. Upon the terms and subject to the conditions of this Agreement, in consideration of such sale, conveyance, assignment, transfer and delivery of the Company Shares by the Stockholders, Purchaser shall pay or cause to be paid to the Stockholders, the Aggregate Purchase Price less the amount payable to holders of Options pursuant to Section 2.4 below in accordance with, and subject to the terms and conditions of, Section 3.5 hereof.

Section 2.4 Company Stock Options. Effective as of the Closing, each then outstanding option to purchase Company Shares (the "Options"), whether or not then exercisable, shall automatically be converted into, and shall thereafter represent only, the

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right to receive the excess of the Per Share Purchase Price over the per-share exercise price of such Option, multiplied by the number of Company Shares into which such Option is exercisable.

ARTICLE III

CLOSING

Section 3.1 Closing. The closing of the Stock Purchase (the "Closing") shall take place at the executive offices of the Company at 10:00 A.M. (local time), on the third Business Day following the satisfaction or waiver of the conditions precedent specified in Article VIII, or at such other time and place as the parties hereto may mutually agree. The date on which the Closing occurs is called the "Closing Date".

Section 3.2 Deliveries by the Stockholders and the Company. At the Closing, the Stockholders and the Company, as applicable, shall deliver or cause to be delivered to Purchaser (unless delivered previously) the following:

(a) the stock certificate or stock certificates representing the Company Shares, duly endorsed or accompanied by stock powers duly executed in blank with appropriate transfer stamps, if any, affixed, and any other documents that are reasonably necessary to transfer title to the Company Shares; and

(b) all other documents, certificates, instruments or writings required to be delivered by Seller or the Company at or prior to the Closing pursuant to this Agreement or otherwise reasonably required in connection herewith.

Section 3.3 Deliveries by Purchaser. At the Closing, Purchaser shall deliver or cause to be delivered to the Stockholders (unless delivered previously) the following:

(a) a wire transfer of federal or other immediately available funds to the account designated by the Representatives (who shall be responsible for distributing such funds to the Stockholders) at least two (2) Business Days prior to the Closing Date in an aggregate amount equal to the Aggregate Purchase Price less _____ which shall be deposited into escrow pursuant to the Escrow Agreement referred to in Section 7.11 hereof; and

(b) all other documents, certificates, instruments or writings reasonably required to be delivered by Purchaser at or prior to the Closing pursuant to this Agreement or otherwise required in connection herewith.

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Section 3.4 Simultaneous Transactions. All of the transactions contemplated by this Agreement shall be deemed to occur simultaneously, and no such transaction shall be deemed to have been consummated until all such transactions have been consummated.

Section 3.5 Proceeds to the Stockholders.

(a) Aggregate Purchase Price. The aggregate purchase price to be paid by Purchaser in respect of the Stock Purchase shall be cash in an amount equal to less the amount of all Company Expenses (the "Aggregate Purchase Price").

(b) Consideration Paid to Each Stockholder. Each Stockholder shall be entitled to receive an amount in cash for each Company Share sold, conveyed, assigned, transferred and delivered to Purchaser (the "Per Share Purchase Price") equal to the quotient of (x) the Aggregate Purchase Price, plus the aggregate exercise price of all Options cancelled pursuant to Section 2.4, divided by (y) the number of Company Shares issued and outstanding, plus the number of Company Shares covered by Options that are cancelled pursuant to Section 2.4; provided, that the Per Share Escrow Amount shall be deposited into escrow pursuant to the Escrow Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE STOCKHOLDERS

Each of the Stockholders, severally and not jointly, hereby represents and warrants to the Purchaser, solely to the extent that any of the following representations and warranties is applicable to such Stockholder, as follows:

Section 4.1 Authority; Binding Effect. Such Stockholder has the requisite power, capacity and authority to execute and deliver this Agreement to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate or limited partnership action on the part of such Stockholder, and no other corporate or limited partnership action on the part of such Stockholder or its stockholders or limited partners is required to authorize the execution, delivery and performance hereof, and the consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered by such Stockholder and constitutes the valid and binding obligation of such Stockholder enforceable against such Stockholder in accordance with its terms, except that such enforcement may be subject to any bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter in effect relating to or limiting creditors' rights generally and the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the Court before which any proceedings therefor may be brought.

Section 4.2 Title to Company Shares. Such Stockholder has good and valid title to all of the Company Shares reflected as owned by it on Schedule I hereto, free and clear of all Liens.

Section 4.3 Consents and Approvals; No Violation. The execution and delivery of this Agreement by such Stockholder and the consummation by such Stockholder of the transactions contemplated hereby will not, except as set forth in Schedule 4.3, (i) conflict with or violate its certificate of incorporation or by-laws, limited partnership agreement or similar organizational documents if such Stockholder is not an individual in each case, as currently in effect, (ii) conflict with or violate any Laws applicable to such Stockholder or by which its properties or assets are bound or are subject, or (iii) result in any breach of, or constitute a default (or an event that with notice or lapse of time, or both, would constitute a default) under, or give to others any right of termination, amendment, acceleration or cancellation of, or require payments under, or result in the creation of a Lien on any of the properties or assets of such Stockholder under, any note, bond, mortgage, indenture, Contract, agreement, lease, license, permit, franchise or other instrument or obligation to which such Stockholder is a party or by which its properties or assets are bound or subject.

Section 4.4 Absence of Litigation. Except as set forth in Schedule 4.4, to the knowledge of such Stockholder, no Litigation (as hereinafter defined) pending or, to the knowledge of such Stockholder, threatened against such Stockholder, if adversely determined, nor any judgment, order or decree of any Governmental Authority to which such Stockholder is a party or subject to, (i) has had or could reasonably be expected to have a Material Adverse Effect on the Company, (ii) could impair such Stockholder's ability to perform its obligations hereunder in any material respect or to consummate the transactions contemplated hereby or (iii) could impair the ability of the Company or any Subsidiary to conduct their respective businesses after the Closing Date in substantially the manner as they are now being conducted.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to Purchaser as follows (provided, however, that to the extent such representations and warranties relate to less than majority-owned Subsidiaries, such representations and warranties are made to the Company's knowledge only):

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Section 5.1 Organization and Qualification.

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and has all requisite corporate power and authority to own, lease and operate all of its properties and assets and to conduct its business as it is now being conducted. Except as set forth in Schedule 5.1(a), the Company is duly qualified or licensed and in good standing to do business as a foreign corporation in each jurisdiction in which the nature of its business, or the ownership, leasing or operation of its properties or assets, makes such qualification necessary. The Company has delivered or made available to Purchaser a complete and correct copy of the Company's Certificate of Incorporation and By-Laws, each as amended to date. Each of the Company's Certificate of Incorporation and By-Laws is in full force and effect, and the Company is not in violation of any provision thereof.

(b) Schedule 5.1(b) sets forth the name, jurisdiction of organization, capitalization and ownership of all outstanding capital stock of each corporation, partnership, limited liability company or other entity owned, directly or indirectly, in whole or in part, by the Company (each, a "Subsidiary"). Except as set forth in Schedule 5.1(a), each Subsidiary (i) is a duly organized and validly existing corporation, partnership or limited liability company in good standing under the laws of the jurisdiction of its organization, (ii) has all requisite corporate, partnership or limited liability company power and authority to own, lease and operate all of its properties and assets and to conduct its business as it is now being conducted and (iii) is duly qualified and in good standing to do business as a foreign corporation, partnership or limited liability company in each jurisdiction in which the nature of its business, or the ownership, leasing or operation of its properties or assets, makes such qualification necessary. The Company has delivered or made available to Purchaser a complete and correct copy of the certificate or articles of incorporation and by-laws or comparable charter or organizational documents, each as amended to date, of each Subsidiary. All such organizational documents are in full force and effect, and none of the Subsidiaries is in violation of any provision of its certificate or articles of incorporation or by-laws or comparable charter or organizational documents.

Section 5.2 Authority; Binding Effect. The Company has all requisite corporate power and corporate authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company, and no other corporate action on the part of the Company or any of the Subsidiaries or their respective stockholders is required to authorize the execution, delivery and performance hereof, and the consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Company and constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except that such enforcement may be subject to any bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter in effect relating to or limiting

creditors' rights generally and the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the Court before which any proceedings therefor may be brought.

Section 5.3 Financial Statements/Receivables/Inventories.

(a) The Company has delivered to Purchaser true and complete copies of: (i) the consolidated audited balance sheets of the Company and the Subsidiaries as of June 30, 1995, 1996 and 1997, and the audited combined statements of operations, cash flows and changes in stockholders' equity of the Company and the Subsidiaries for each of the fiscal years then ended, all certified by the Company's independent auditors, Arthur Andersen LLP, whose reports thereon are included therewith (collectively, such audited financial statements are referred to herein as the "Financial Statements"). Each of the Financial Statements (including any related notes thereto) has been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in Schedule 5.3(a) and fairly presents the combined financial position, results of operations and cash flows of the Company and the Subsidiaries as of the dates or for the periods indicated therein. The consolidated audited balance sheet of the Company and the Subsidiaries as of June 30, 1997 included in the Financial Statements is herein referred to as the "Balance Sheet". Except as set forth in Schedule 5.3(a), since June 30, 1995, neither the Company nor any of the Subsidiaries has made any material change in the accounting practices or policies applied in the preparation of its financial statements.

(b) Except as set forth in Schedule 5.3(b), all accounts receivable and notes receivable of the Company and the Subsidiaries have arisen from bona fide transactions in the ordinary course of business consistent with past practice and, to the knowledge of the Company, are current and collectible net of any reserves reflected on the Balance Sheet (which reserves were determined in accordance with GAAP consistent with past practice).

(c) The inventories of the Company and each of the Subsidiaries consist of a quality and quantity usable and salable in the ordinary course of business consistent with past practice, subject to reserves reflected on the Balance Sheet (which reserves were determined in accordance with GAAP consistent with past practice except as set forth in Schedule 5.3(a)). All inventories have been reflected on the Balance Sheet at the lower of average cost or market. The quantities of each type of inventory are reasonable and warranted in the present and anticipated circumstances of the Company and each of the Subsidiaries based on common industry practices. No material amounts of inventory are obsolete.

Section 5.4 Absence of Certain Changes or Events. Except as set forth in Schedule 5.4, since June 30, 1997, (a) the Company and each of the Subsidiaries has conducted its business only in the ordinary course of business consistent with past practice and has made efforts consistent with past practice to preserve each of its relationships with customers, suppliers, employees, creditors, and business partners, (b) there has not occurred,

nor has there been any condition, event, circumstance, change or effect that has had or would reasonably be expected to have, a Material Adverse Effect on the Company and the Subsidiaries, and (c) none of the Company or any of the Subsidiaries has taken any action which, if taken after the execution and delivery of this Agreement, would constitute a breach or violation of Section 7.1 hereof.

Section 5.5 Records. The respective corporate record books of the Company and each Subsidiary contain accurate and complete records of all material meetings since January 1, 1994 and accurately reflect all other material actions taken by the stockholders, Boards of Directors and all material committees of the Boards of Directors of the Company and each Subsidiary since January 1, 1994. Except as set forth in Schedule 5.5, all such record books (a) have been made available by the Stockholders to Purchaser and (b) have been maintained in accordance with applicable laws.

Section 5.6 Ownership of Stock/Capitalization.

(a) The authorized capital stock of the Company consists of _____ shares of common stock, par value _____ per share, of which _____ shares are issued and outstanding and _____ shares are reserved for issuance upon exercise of outstanding Options. A total of _____ shares of capital stock of the Company are held in the treasury of the Company. Each issued and outstanding share of capital stock of the Company has been, and all shares of capital stock of the Company which may be issued pursuant to the outstanding Options will be, when issued in accordance with the terms thereof, duly authorized and validly issued, fully paid and nonassessable. Except as set forth in Schedule 5.6, none of the issued and outstanding shares of capital stock of the Company has been issued in violation of, or is subject to, any preemptive or subscription rights.

(b) Schedule 5.6(b) sets forth a true, correct and complete description of the authorized and outstanding capitalization of each Subsidiary. Each issued and outstanding share of capital stock of each Subsidiary has been duly authorized and validly issued, is fully paid and nonassessable, and has not been issued in violation of, and is not subject to, any preemptive or subscription rights.

(c) Except as set forth in Schedule 5.6(c), the Company has good and valid title to all of the Subsidiary Shares, free and clear of all Liens. Set forth in Schedule 5.6(c) are (i) the names of all persons or entities (other than the Stockholders, the Company, or any Subsidiary) who hold of record an equity interest in any of the Subsidiaries, and (ii) the shares of any Subsidiary owned of record by each such person or entity.

(d) Except as set forth in Schedule 5.6(d), (i) there is no option, warrant or other right, agreement, arrangement, or commitment of any kind whatsoever to which the Company or any Subsidiary is a party relating to the issued or unissued capital stock or other equity interests of the Company or any Subsidiary or obligating the Company or any Subsidiary to grant, issue or sell any share of the capital stock or other equity interests of the

Company or such Subsidiary by sale, lease, license or otherwise; (ii) there is no obligation, contingent or otherwise, of the Company or any Subsidiary to (A) repurchase, redeem or otherwise acquire any share of the capital stock or other equity interests of the Company or any Subsidiary, or (B) provide funds to, or make any investment in (in the form of a loan, capital contribution or otherwise), or provide any guarantee with respect to the obligations of, the Company or any Subsidiary or any other Person; (iii) other than as set forth in Schedule 5.1(b), neither the Company nor any Subsidiary, directly or indirectly, owns, or has agreed to purchase or otherwise acquire, the capital stock or other equity interests of, or any interest convertible into or exchangeable or exercisable for such capital stock or such equity interests of, any corporation, partnership, joint venture or other entity; (iv) there is no agreement, arrangement, contract or other commitment of any kind whatsoever (contingent or otherwise) pursuant to which any Person is or may become entitled to receive any payment from the Company or any Subsidiary based on the revenues or earnings, or calculated in accordance therewith, of the Company or any Subsidiary; and (v) there is no voting trust, proxy or other agreement, arrangement, contract or other commitment of any kind whatsoever to which the Company or any Subsidiary is a party, or by which the Company or any Subsidiary, or any of their respective properties or assets, is bound with respect to the voting of any share of capital stock or other equity interest of the Company or any Subsidiary.

(e) Upon delivery to Purchaser at the Closing of the Company Shares pursuant to Section 3.2(a) hereof, and payment by Purchaser of the consideration therefor pursuant to Section 3.3(a) hereof, Purchaser shall acquire and receive all right, title and interest in and to 100% of the issued and outstanding shares of the Company, free and clear of all Liens created by the Company, except as set forth in Schedule 5.6(e).

Section 5.7 Consents and Approvals/No Violation.

(a) The execution and delivery of this Agreement by the Stockholders and the Company do not, and the performance by the Stockholders and the Company of this Agreement and the consummation of the transactions contemplated hereby will not, require the Stockholders, the Company or any Subsidiary to obtain (x) any consent, approval, waiver, authorization or permit of, or to make any filing or registration with or notification to ("Consents"), any court, agency or commission, or other governmental entity, authority or instrumentality, whether domestic or foreign ("Governmental Authority"), or (y) to the knowledge of the Company, any material Consent of any third party, except for (i) applicable requirements, if any, of the HSR Act and the Competition Laws and (ii) the Consents set forth in Schedule 5.7(a).

(b) The execution and delivery of this Agreement by the Company do not, and the performance of this Agreement by the Company and the consummation of the transactions contemplated hereby will not, except as set forth in Schedule 5.7(b), (i) conflict with or violate the certificate of incorporation or by-laws, in each case as currently in effect, of the Company or any Subsidiary, (ii) conflict with or violate any Laws applicable to the Company or any Subsidiary or by or to which any of their respective properties or assets is

bound or subject, or (iii) result in any breach of, or constitute a default (or an event that with notice or lapse of time or both would constitute a default) under, or give to others any right of termination, amendment, acceleration or cancellation of, or require payment under, or result in the creation of a Lien on any of the properties or assets of the Company or any Subsidiary under, any note, bond, mortgage, indenture, Contract (as hereinafter defined), agreement, arrangement, commitment, lease, license, permit, franchise or other instrument or obligation to which the Company or any Subsidiary is a party or by or to which the Company or any Subsidiary or any of their respective properties or assets is bound or subject, except for such of the foregoing that, individually or in the aggregate, would not have a Material Adverse Effect.

Section 5.8 Absence of Litigation.

(a) Except as set forth in Schedule 5.8(a), (i) there is no claim, action, suit, proceeding or investigation of any kind whatsoever, at law or in equity (including actions or proceedings seeking injunctive relief), by or before any Governmental Authority ("Litigation") pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary or affecting any of their respective properties or assets, and neither the Company nor any Subsidiary is a party or subject to, or in default under, any judgment, order or decree of any Governmental Authority.

(b) Except as set forth in Schedule 5.8(b), to the knowledge of the Company, none of the Litigation set forth in Schedule 5.8(a), if adversely determined, or the judgments, orders or decrees, in each case as set forth in Schedule 5.8(a), (i) has had or could reasonably be expected to have a Material Adverse Effect on the Company, (ii) could impair the Company's ability to perform its obligations hereunder in any material respect or to consummate the transactions contemplated hereby or (iii) could impair the ability of the Company or any Subsidiary to conduct their respective businesses after the Closing Date in substantially the manner as they are now being conducted.

Section 5.9 Related Party Agreements. Except as set forth in Schedule 5.9, no current or former director, executive officer or stockholder of the Company or any Subsidiary or any Affiliate or associate of any of the foregoing is a party to any agreement, arrangement, contract or other commitment (the "Related Party Agreements") to which the Company or any Subsidiary is a party or by or to which any of their respective properties or assets is bound or subject, or, to the knowledge of each of the Stockholders and the Company, has a material interest in any agreement, arrangement, contract or other commitment, property or asset (real or personal), tangible or intangible, owned by, used in or pertaining to the business of the Company or any Subsidiary.

Section 5.10 Permits/Compliance with Laws. The Company and each Subsidiary possesses all material franchises, grants, authorizations, licenses, permits, easements, variances, exemptions, consents, certificates, approvals and orders necessary to own, lease and operate its properties and assets and to carry on its business as it is now being con-

ducted (other than those required under Environmental Laws, which are governed by Section 5.15 hereof) (collectively, the "Permits"), and there is no claim, action, suit, proceeding or investigation pending or, to the knowledge of the Company, threatened regarding suspension or cancellation of any such Permits. Schedule 5.10 sets forth a true, correct and complete list of all such Permits. Except as set forth in Schedule 5.10, the Company and each Subsidiary is, and has been since January 1, 1994, in compliance in all material respects with such Permits and with all Laws applicable to it or by or to which any of its properties or assets is bound or subject (other than (i) Environmental Laws, which are governed by Section 5.15 hereof, (ii) ERISA and other Laws regarding employee benefit matters, which are governed by Section 5.12 hereof, (iii) Labor Laws, which are governed by Section 5.17 hereof, and (iv) Tax Laws, which are governed by Section 5.20 hereof). Except as set forth in Schedule 5.10, none of the Permits will lapse, terminate or expire as a result of the performance of this Agreement by the Stockholders and the Company or the consummation of the transactions contemplated hereby.

Section 5.11 No Undisclosed Liabilities. Except for liabilities and obligations (a) disclosed in the Balance Sheet or the notes thereto, (b) incurred in the ordinary course of business and consistent with past practice since June 30, 1997 or (c) disclosed in Schedule 5.11, neither the Company nor any of its Subsidiaries has any material liabilities or obligations of any nature, whether or not accrued, contingent or otherwise.

Section 5.12 Employee Benefit Plans; ERISA.

(a) Schedule 5.12 sets forth a true and complete list of each material bonus, deferred compensation, incentive compensation, stock purchase, stock option, severance or termination pay, hospitalization or other medical, life or other insurance, supplemental unemployment benefits, profit-sharing, pension or retirement plan, program, agreement or arrangement, and each other employee benefit plan, program, agreement or arrangement, sponsored, maintained or contributed to or required to be contributed to by the Company or any Subsidiary or by any ERISA Affiliate, for the benefit of any employee or former employee of the Company or any Subsidiary or any ERISA Affiliate, whether formal or informal, other than any such plan, program, agreement or arrangement sponsored, maintained or mandated by any Governmental Authority outside the United States of America (collectively, the "Plans"). Schedule 5.12(a) identifies each of the Plans that is an "employee benefit plan", as that term is defined in Section 3(3) of ERISA (such plans being hereinafter referred to collectively as the "ERISA Plans"). Except as set forth in Schedule 5.12(a), neither the Company nor any Subsidiary nor any ERISA Affiliate has any commitment to create any additional Plan or materially increase the benefits provided under any existing Plan.

(b) No liability under Title IV of ERISA has been incurred by the Company or any Subsidiary or any ERISA Affiliate that has not been satisfied in full, and, to the Company's knowledge, no condition exists that presents a risk to the Company or any Subsidiary or any ERISA Affiliate of incurring a liability under Title IV of ERISA, other

than liability for premiums due the Pension Benefit Guaranty Corporation ("PBGC") (which premiums have been paid when due).

(c) The PBGC has not instituted any proceeding to terminate any ERISA Plan, and no condition exists which presents a risk that any such proceeding will be instituted.

(d) Except as set forth in Schedule 5.12(d), no ERISA Plan is subject to Title IV of ERISA.

(e) Neither the Company nor any Subsidiary nor any ERISA Affiliate nor any ERISA Plan, nor any trust created thereunder nor, to the Company's knowledge, any trustee or administrator thereof, has engaged in a transaction in connection with which the Company, any Subsidiary, any ERISA Affiliate or any ERISA Plan, or any such trust or any trustee or administrator thereof, or any party dealing with any ERISA Plan or any such trust, could be subject to either a civil penalty assessed pursuant to Section 409 or 502(i) of ERISA or a tax imposed pursuant to Section 4975 or 4976 of the Code.

(f) Full payment has been made of all amounts that the Company or any Subsidiary or any ERISA Affiliate is required to pay under the terms of each ERISA Plan and Section 412 of the Code as of the last day of the most recent Plan year thereof ended prior to the date of this Agreement, and all such amounts properly accrued through the Closing Date with respect to the current Plan year thereof will be paid by the Company or the applicable Subsidiary on or prior to the Closing Date or will be properly recorded in the Company's combined financial statements in accordance with GAAP; and no ERISA Plan or any trust established thereunder has incurred any "accumulated funding deficiency" (as defined in Section 302 of ERISA and Section 412 of the Code), whether or not waived, as of the last day of the most recent fiscal year of each ERISA Plan ended prior to the date of this Agreement; and all contributions required to be made with respect thereto (whether pursuant to the terms of any ERISA Plan or otherwise) on or prior to the Closing Date have been timely made.

(g) With respect to each of the ERISA Plans that is subject to Title IV of ERISA, the present value of accrued benefits under such Plan, based upon the actuarial assumptions used for funding purposes in the most recent actuarial report prepared by such Plan's actuary with respect to such Plan, did not, as of its latest validation date, exceed the then current value of the assets of such Plan allocable to such accrued benefits.

(h) No ERISA Plan is a "multiemployer plan," as such term is defined in Section 3(37) of ERISA, nor is any ERISA Plan a plan described in Section 4063(a) of ERISA.

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(i) Each Plan has been created, operated and administered in all material respects in accordance with its terms and in compliance with applicable laws, including, but not limited to, ERISA and the Code.

(j) Each ERISA Plan that is intended to be "qualified" within the meaning of Section 401(a) of the Code has received a favorable determination letter to the effect that it is so qualified and that the trusts maintained thereunder are exempt from taxation under Section 501(a) of the Code, and the Company is not aware of any circumstances that could result in such Plan no longer being qualified.

(k) Except as set forth in Schedule 5.12(k), no Plan provides benefits, including death or medical benefits (whether or not insured), with respect to current or former employees of the Company or any Subsidiary or any ERISA Affiliate beyond their retirement or other termination of service (other than coverage mandated by applicable Laws), and neither the Company nor any Subsidiary nor any ERISA Affiliate has any binding obligation to provide any employee or group of employees with any such benefits upon their retirement or termination of employment.

(l) Except as set forth in Schedule 5.12(l), neither the execution and delivery of this Agreement by the Stockholders and the Company nor the performance by the Stockholders and the Company of this Agreement nor the consummation of the transactions contemplated hereby will (i) entitle any current or former director, officer or employee of the Company or any Subsidiary or any ERISA Affiliate to severance pay, unemployment compensation or any other payment from the Company or any Subsidiary, (ii) accelerate the time of payment or vesting, or increase the amount of compensation due any such director, officer or employee, or (iii) result in any prohibited transaction described in Section 406 of ERISA or Section 4975 of the Code for which an exemption is not available.

(m) To the Company's knowledge, each Plan that is not subject to Title I of ERISA pursuant to Section 4(b)(4) of ERISA (the "Foreign Plans") is in compliance in all material respects with all laws, regulations and rules applicable thereto and the respective requirements of the governing documents for such Plan. The aggregate unfunded liabilities with respect to each Foreign Plan, after giving effect to any reserves for such liabilities, will not result in a material liability to the Company or the Subsidiaries considered as a whole.

Section 5.13 Material Contracts.

(a) Schedule 5.13(a) sets forth a true and complete list of each of the following agreements, arrangements, contracts, policies, plans, mortgages, leases, licenses, understandings and commitments to which the Company or any Subsidiary is a party or by or to which any of their respective properties or assets is bound or subject (the "Contracts"), other than such other Contracts as (i) (A) may be terminated at any time without penalty by the Company or each Subsidiary party thereto upon notice of 90 days or less or (B) involve

aggregate obligations of the Company or any Subsidiary in any future twelve-month period of \$100,000 or less; (ii) are Plans listed in Schedule 5.12(a); (iii) are Related Party Agreements listed in Schedule 5.9; or (iv) are Leases listed in Schedule 5.16(c):

(i) employment, severance, termination or consulting
Contracts;

(ii) employee collective bargaining Contracts and other
Contracts with any labor union, including any past practice determinations or
arbitration award;

(iii) covenants not to compete and Contracts that restrict
or limit in any respect the ability of the Company or any of the Subsidiaries to
compete in any line of business or with any person in any area;

(iv) Contracts under which the Company or any of the
Subsidiaries is a lessor or sublessor of, or makes available for use by any third
party, (A) any real property owned or leased by the Company or any of the
Subsidiaries, or any portion of premises otherwise occupied by the Company
or any of the Subsidiaries, or (B) any material personal property owned or
leased by the Company or any of the Subsidiaries;

(v) Contracts under which the Company or any of the
Subsidiaries has borrowed or loaned any money or issued any note, bond,
indenture or other evidence of indebtedness or directly or indirectly guaranteed
any indebtedness, liability or obligation of any third party (other than any
endorsement for the purpose of collection, any loan made to any employee for
relocation, travel or other employment-related purposes, in each case, in the
ordinary course of business consistent with past practice), or any other note,
bond, indenture or other evidence of Indebtedness;

(vi) Contracts under which any other person has directly
or indirectly guaranteed any indebtedness, liability or obligation of the Compa-
ny or any of the Subsidiaries, or letter of credit issued to guarantee any
obligation of the Company or any of the Subsidiaries, or any vendor or
customer of the Company or any of the Subsidiaries;

(vii) joint venture or similar Contracts;

(viii) (A) continuing Contracts for the future purchase of
materials, supplies or equipment, (B) management, service or other similar
type of Contract or (C) advertising Contract;

(ix) mortgages, pledges, security agreements, deeds of trust or other documents granting a Lien;

(x) Contracts (A) providing for the payment of any bonus or commission based on sales or earnings or (B) providing for any bonus or other payment based on the sale of the Company or any of the Subsidiaries or any portion thereof or any other change of control of the Company or any of the Subsidiaries;

(xi) Contracts that provide that the terms and conditions that would otherwise govern the relationship of the parties thereto will be altered upon a change of control of the Company or any of the Subsidiaries;

(xii) Contracts providing for the indemnification by the Company or any of the Subsidiaries of any person;

(xiii) Contracts with any Governmental Authority except those entered into in the ordinary course of business consistent with past practice which are not material to the Company or any of the Subsidiaries;

(xiv) Contracts under which the Company or any of the Subsidiaries licenses to or from any third party any Intellectual Property; and

(xv) any other Contract.

(b) Each Contract is in full force and effect and is the valid and binding obligation of the Company or the Subsidiary party thereto. Except as set forth in Schedule 5.13(b), none of the Company or any Subsidiary or, to the knowledge of the Company, any other party thereto is in breach of or in default in any material respect under any of the Contracts, and no event has occurred that, with the passage of time or the giving of notice, or both, would constitute such a breach or default. Except as set forth in Schedule 5.13(b), neither the Company nor any Subsidiary is a party to, nor are any of their respective properties or assets bound by or subject to, any agreement, arrangement, contract or other commitment, including, without limitation, any covenant not to compete or other restrictive covenant, which purports to limit in any respect the manner, or the localities, in which the Company or any Subsidiary is entitled to conduct all or any portion of its business.

Section 5.14 Personal Property. Except as set forth in Schedule 5.14, the Company or any of the Subsidiaries has good and valid title to, or a valid and enforceable right to use, all personal property (whether tangible or intangible) reflected on the books and records of the Company or the Subsidiaries, free and clear of any and all Liens except Permitted Liens.

Section 5.15 Environmental Matters.

(a) Except as set forth in Schedule 5.15(a), since July 1, 1995, the Company and each of the Subsidiaries have been in compliance, and are presently complying in all material respects with all applicable Environmental Laws (which compliance includes, but is not limited to, the possession by the Company and each of the Subsidiaries of all material Permits and other governmental authorizations required under applicable Environmental Laws, and compliance with the terms and conditions thereof).

(b) Except as set forth in Schedule 5.15(b), there is no Environmental Claim pending or, to the knowledge of the Company, threatened against the Company, any of the Subsidiaries or, to the Company's knowledge, against any person or entity whose liability for any Environmental Claim the Company or any of its Subsidiaries has or may have retained or assumed either contractually or by operation of law. To the knowledge of the Company, there have been no Releases of Hazardous Materials on, beneath or adjacent to any property currently or formerly owned, operated, or leased by the Company or any of the Subsidiaries in quantities sufficient to form the basis for an Environmental Claim.

(c) Except as disclosed in Schedule 5.15(c), to the knowledge of the Company, the Company and its Subsidiaries have not, and, to the Company's knowledge, no other person has, placed, stored, deposited, discharged, buried, dumped or disposed of Hazardous Materials or any other wastes produced by, or resulting from, any business, commercial or industrial activities, operations or processes, on, beneath or adjacent to any property currently or formerly owned, operated or leased by the Company or any of its Subsidiaries. Without in any way limiting the generality of the foregoing, except as disclosed in Schedule 5.15(c), to the knowledge of the Company, none of the properties owned, operated or leased by the Company or any of its Subsidiaries contain any: underground storage tanks; asbestos; polychlorinated biphenyls ("PCBs"); underground injection wells; radioactive materials; or septic tanks or waste disposal pits in which process wastewater or any Hazardous Materials have been discharged or disposed.

(d) The Company has delivered or otherwise made available for inspection to Purchaser true, complete and correct copies and results of any reports, studies, analyses, tests or monitoring possessed or initiated by the Company or any of the Subsidiaries pertaining to Hazardous Materials in, on, beneath or adjacent to any property currently or formerly owned, operated or leased by the Company or any of the Subsidiaries, or regarding the Company's or such Subsidiary's compliance with applicable Environmental Laws.

(e) No Lien imposed by any governmental agency in connection with the presence of any Hazardous Materials is currently outstanding on any property, facility, machinery or equipment owned, operated or leased by the Company or any of the Subsidiaries.

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Section 5.16 Real Property.

(a) Schedule 5.16(a) sets forth a true and complete list of all real property to which the Company or any Subsidiary has legal or equitable title (the "Owned Realty") or in which the Company or any Subsidiary has a valid and subsisting leasehold or other interest (the "Leased Realty"), and sets forth for each such Owned Realty and Leased Realty the title or interest held by the Company or any Subsidiary. All title insurance policies issued to the Company or any Subsidiary are listed in Schedule 5.16(a) and are in full force and effect; true, correct and complete copies of such policies have been furnished to Purchaser.

(b) The Company or the Subsidiary, as the case may be, set forth in Schedule 5.16(a) as the owner of a particular piece of the Owned Realty has good and marketable fee title to such Owned Realty, free and clear of any and all Liens (except Permitted Liens and the leases, subleases, rights of parties in possession, easements and encroachments set forth in Schedule 5.16(b)).

(c) The Company and each Subsidiary set forth in Section 5.16(a) as the lessee of a particular piece of Leased Realty possess a valid and subsisting leasehold or other interest in such Leased Realty pursuant to the leases or other instruments set forth in Schedule 5.16(c) (the "Leases"), free and clear of any and all Liens (except Permitted Liens and the subleases, rights of parties in possession, easements and encroachments set forth in Schedule 5.16(c)). Each Lease of the Company and each Subsidiary is in full force and effect, and is the valid and binding obligation of each party thereto in accordance with its terms, and there is not under any Lease any existing material default by the Company or any Subsidiary or, to the knowledge of the Company, any other party thereto, or, to the knowledge of the Company, any condition or event which, with notice or lapse of time, or both, would constitute such a default.

Section 5.17 Labor Matters. Except as set forth in Schedule 5.17, (a) neither the Company nor any Subsidiary is a party to (i) any collective bargaining agreement or similar agreement with any labor organization or employee association, (ii) any other written contract concerning employment or (iii) to the knowledge of the Company, any binding oral contract concerning employment; (b) no grievance or arbitration proceeding arising out of or under any collective bargaining agreement is pending, and, to the knowledge of the Company, no such grievance or proceeding is threatened; (c) since July 1, 1995, there has not been, nor is there pending or, to the knowledge of the Company, threatened, (i) any labor dispute between the Company or any Subsidiary and any labor organization, or any strike, slow-down, jurisdictional dispute, work stoppage or other similar organized labor activity involving any employee of the Company or any Subsidiary or affecting the Company or any Subsidiary or (ii) any union organizing, or election activity involving, any employee of the Company or any Subsidiary; (d) each of the Company and the Subsidiaries is, and has been since July 1, 1995, in compliance in all material respects with all federal, state, local and foreign laws regarding labor, employment and employment practices, conditions of employ-

ment, occupational safety and health, and wages and hours, including any bargaining or other obligations under the National Labor Relations Act (collectively, "Labor Laws"); (e) to the knowledge of the Company, neither the Company nor any Subsidiary is engaged in any unfair labor practice, and there is no unfair labor practice charge pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary before the National Labor Relations Board or other Governmental Authority; (f) to the knowledge of the Company, no union claims to represent any of the employees of the Company or any Subsidiary; (g) to the knowledge of the Company, neither the Company nor any Subsidiary has received notice of the intent of any Governmental Authority responsible for the enforcement of any Labor Law to conduct an investigation with respect to or relating to the Company or any Subsidiary, and no such investigation is in progress; (h) there exists no pending or, to the knowledge of the Company, threatened lawsuit, administrative proceeding or investigation between the Company or any Subsidiary and any current or former director, officer or employee of the Company or any Subsidiary, including any claim for wrongful termination, breach of express or implied contract of employment or for violation of equal employment opportunity laws; and (i) since the enactment of the Worker Adjustment and Retraining Notification Act of 1988 (the "WARN Act"), neither the Company nor any Subsidiary has effectuated (i) a "plant closing" (as defined in the WARN Act) affecting any site of employment or one or more facilities or operating units within any site of employment or facility of the Company or any Subsidiary or (ii) a "mass layoff" (as defined in the WARN Act) affecting any site of employment or facility of the Company or any Subsidiary without complying with the WARN Act; nor to the knowledge of the Company, has the Company or any Subsidiary been affected by any transaction or engaged in any layoff or employment termination of employees of the Company or any Subsidiary sufficient in number to trigger application of any similar foreign, state or local law without complying with any such law.

Section 5.18 Insurance. Set forth in Schedule 5.18 is a complete and accurate list of all primary, excess and umbrella policies, bonds and other forms of insurance currently owned or held by or on behalf of or providing insurance coverage to the Company, each of the Subsidiaries and their respective directors and officers. All policies set forth in Schedule 5.18 are in full force and effect and shall remain in full force and effect through the Closing Date and no pending notice of default, cancellation or termination has been received by the Company or any of the Subsidiaries with respect to any such policy. Except as set forth in Schedule 5.18, there are no pending or, to the knowledge of the Company, threatened disputes relating to coverage or other disputed claims under any of the foregoing insurance policies.

Section 5.19 Intellectual Property. Either the Company or one of the Subsidiaries owns or has a valid and enforceable right to use all copyrights, trade names, trademarks, service marks, service names, trade secrets, designs, licenses, patents, plant variety protection certificates and other intellectual property rights, including, without limitation, know-how (whether related to any of the foregoing or otherwise) (including pending applications for any of the foregoing) (collectively, "Intellectual Property"), used in or neces-

sary to the conduct by the Company and each Subsidiary of their respective businesses as they are now being conducted. Schedule 5.19 sets forth a true, correct and complete list of the Intellectual Property material to the Company and the Subsidiaries, identifies the owner thereof, the right to use or other interest therein of the Company or any Subsidiary, and, with respect to each registration, grant and application, the jurisdiction and record owner thereof. Schedule 5.19 sets forth a true, correct and complete list of all licenses of Intellectual Property pursuant to which the Company or any Subsidiary is a licensor or licensee in respect of any Intellectual Property. Except as set forth in Schedule 5.19, there is no claim, action, suit, proceeding or investigation presently pending, nor, since July 1, 1995, has there been any claim, action, suit, proceeding or investigation made or, to the knowledge of the Company, threatened, nor has the Company or any of the Subsidiaries received any notice that (a) the operations of the Company or any Subsidiary infringe upon or conflict with the rights of any other Person in respect of any Intellectual Property or (b) any Intellectual Property is invalid or unenforceable.

Section 5.20 Taxes.

(a) Except as set forth in Schedule 5.20(a):

(i) Each of the Company and the Subsidiaries has (x) duly and timely filed or caused to be filed with the appropriate Governmental Authorities all Tax Returns required to be filed by it, and all such Tax Returns are true, correct and complete in all material respects, and (y) timely paid all Taxes due or claimed to be due from it by any taxing authority;

(ii) None of the Company or any of the Subsidiaries has violated or is in violation of any applicable Law relating to the payment and withholding of Taxes (including, without limitation, withholding of Taxes pursuant to Sections 1441 and 1442 of the Code or similar provisions under any foreign Law and withholding of Taxes in respect of employee wages). Each of the Company and the Subsidiaries has, within the time and within the manner prescribed by Law, withheld and paid over to the proper Governmental Authorities all amounts required to be withheld and paid over under all applicable Laws;

(iii) There are no Liens for Taxes upon the Company Shares or the assets or properties of the Company or any of the Subsidiaries except for statutory liens for Taxes not yet due;

(iv) There are no outstanding waivers or comparable Consents regarding the application of the statute of limitations with respect to any Taxes or Tax Returns of the Company or any of the Subsidiaries;

(v) Neither the Company nor any of the Subsidiaries has requested an extension of time within which to file any Tax Return in respect of any fiscal year which has not since been filed;

(vi) To the Company's knowledge, no federal, state, local or foreign audits or other administrative proceedings have been formally commenced or are presently pending with regard to any Taxes or Tax Returns of the Company or any of the Subsidiaries, and no notification has been received by the Company or any of the Subsidiaries that such an audit or other proceeding is pending or threatened with respect to any Taxes due from or with respect to or attributable to the Company or any of the Subsidiaries or any Tax Return filed by or with respect to the Company or any of the Subsidiaries;

(vii) Since January 1, 1994, neither the Company nor any of the Subsidiaries has made a change in accounting methods, received a ruling from any taxing authority or signed an agreement with any taxing authority which could have a material adverse effect on the Company or any of the Subsidiaries;

(viii) Neither the Company nor any of the Subsidiaries is required to include in income any adjustment pursuant to Section 481(a) of the Code or any similar provision of foreign, state or local Law, by reason of the voluntary change in accounting method (nor has any taxing authority proposed in writing any such adjustment or change of accounting method);

(ix) Except as set forth in Schedule 5.20(a), neither the Company nor any of the Subsidiaries is a party to, is bound by, or has any obligation under, any Tax sharing agreement, Tax indemnification agreement or similar contract or arrangement. None of the Company, the Stockholders or any of the Subsidiaries is aware of any material potential liability or obligation to any Person as a result of, or pursuant to, any such agreement, contract or arrangement;

(x) No power of attorney is currently in effect by or with respect to the Company or any of the Subsidiaries with respect to any matter relating to Taxes;

(xi) The reserves for Taxes (determined in accordance with GAAP consistently applied) reflected on the Balance Sheet are adequate for the payment of all Taxes incurred or which may be incurred by the Company or any of the Subsidiaries through the date thereof. Since the date of the Balance Sheet, neither the Company nor any of the Subsidiaries has incurred any liability for Taxes other than in the ordinary course of business;

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(xii) Except for "stay bonuses" to employees included in the Company Expenses, neither the Company nor any of the Subsidiaries is a party to any agreement, plan, contract or arrangement that could result, separately or in the aggregate, in the payment of any "excess parachute payments" within the meaning of Section 280G of the Code;

(xiii) Since January 1, 1994, no closing agreement pursuant to Section 7121 of the Code (or any predecessor provision) or any similar provision of any state, local or foreign Law has been entered into by or with respect to the Company or any of the Subsidiaries;

(xiv) Neither the Company nor any of the Subsidiaries has filed a consent pursuant to Section 341(f) of the Code (or any predecessor provision) or agreed to have Section 341(f)(2) of the Code apply to any disposition of a "subsection (f) asset" (as such term is defined in Section 341(f)(4) of the Code) owned by the Company or any of the Subsidiaries;

(xv) Except as set forth in Schedule 5.20(a) or in connection with taxes withheld from employee compensation in the ordinary course of business but not yet paid to the applicable taxing authority, neither the Company nor any of the Subsidiaries has any liability for Taxes of another Person by contract or otherwise;

(xvi) To the Company's knowledge, neither the Company nor any of the Subsidiaries has any liability for Taxes under or as a result of Section 482 of the Code or any similar provision of state, local or foreign Law;

(xvii) The Company and each of the Subsidiaries have filed all Tax Returns in accordance with all written franchise, license and other agreements entered into by any of them; and

(xviii) Neither the Company nor any of the Subsidiaries is a passive foreign investment company, personal holding company or foreign personal holding company or is subject to the accumulated earnings tax.

(b) All material elections with respect to Taxes of the Company and each of the Subsidiaries made since January 1, 1994 are set forth in Schedule 5.20(b).

(c) The Company and each of the Subsidiaries have previously delivered or made available to Purchaser complete and accurate copies of each of the following that is applicable to the Company's taxable years ended subsequent to June 30, 1994; (i) all audit reports, letter rulings, technical advice memoranda relating to United States federal, state, local and foreign Taxes due from or with respect to the Company or any

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of the Subsidiaries, (ii) United States federal Tax Returns, and those state, local or foreign Tax Returns filed by the Company or any of the Subsidiaries, and (iii) any closing agreements entered into by the Company or any of the Subsidiaries with any taxing authority, in each case existing on the date hereof. The Company and each of the Subsidiaries will deliver to Purchaser all materials with respect to the foregoing for all matters arising after the date hereof.

Section 5.21 Brokers. Except for J.P. Morgan Securities, Inc., no broker, finder or financial advisor or other person is entitled to any brokerage fees, commissions, finders' fees or financial advisory fees in connection with the transactions contemplated hereby.

Section 5.22 Disclosure. To the knowledge of the Company, no representation or warranty of the Company or any Stockholder contained in this Agreement contains or will contain any untrue statement of material fact, or omits or will omit to state any material fact necessary in order to make the statements herein or therein, in light of the circumstances under which it was or will be made, not misleading.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to the Stockholders and the Company as follows:

Section 6.1 Organization. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the Netherlands and has all requisite corporate power and authority to own, lease and operate all of its properties and assets and to conduct its business as it is now being conducted.

Section 6.2 Authority; Binding Effect. Purchaser has all requisite corporate power and corporate authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Purchaser, and no other corporate action on the part of Purchaser or its stockholders is required to authorize the execution, delivery and performance hereof, and the consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered by Purchaser and constitutes the valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except that such enforcement may be subject to any bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter in effect relating to or limiting creditors' rights generally and the remedy of specific perfor-

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mance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the Court before which any proceedings therefor may be brought.

Section 6.3 No Violation; Consents and Approvals.

(a) The execution and delivery of this Agreement by Purchaser do not, and the performance of this Agreement by Purchaser and the consummation of the transactions contemplated hereby will not, (i) conflict with or violate the certificate of incorporation or by-laws, in each case as currently in effect, of Purchaser, (ii) conflict with or violate in any material respect any Laws applicable to Purchaser or by or to which any of its properties or assets is bound or subject, or (iii) result in any material breach of, or constitute a material default (or an event that with notice or lapse of time or both would constitute a material default) under, or give to others any right of termination, amendment, acceleration or cancellation of, or require payment under, or result in the creation of a Lien on any of the properties or assets of Purchaser under, any material note, bond, mortgage, indenture, Contract, agreement, arrangement, commitment, lease, license, permit, franchise or other instrument or obligation to which Purchaser is a party or by or to which Purchaser or any of its properties or assets is bound or subject.

(b) The execution and delivery of this Agreement by Purchaser do not, and the performance by Purchaser of this Agreement and the consummation of the transactions contemplated hereby, will not, require Purchaser to obtain any Consents from any Governmental Authority, or any third party, except for (i) applicable requirements, if any, of the HSR Act or the Competition Laws and (ii) the Consents set forth in Schedule 6.3(b).

Section 6.4 Acquisition of Shares for Investment. Purchaser is not acquiring the Company Shares with any present intention of distributing or selling such shares in violation of federal, state or other securities laws. Purchaser agrees that it will not sell or otherwise dispose of the Company Shares in violation of any federal, state or other securities laws.

Section 6.5 Absence of Litigation. There is no Litigation pending or, to the knowledge of Purchaser, threatened against Purchaser that could materially impair Purchaser's ability to perform its obligations hereunder or to consummate the transactions contemplated hereby.

Section 6.6 Financing. Purchaser has cash available, commitments from financial institutions or availability on its committed credit facility to enable it to consummate the transactions contemplated hereby.

Section 6.7 Brokers. Except for fees payable to Lehman Brothers, no broker, finder or financial advisor or other person is entitled to any brokerage fees, commissions, finders' fees or financial advisory fees in connection with the transactions contemplated hereby.

ARTICLE VII

COVENANTS

Section 7.1 Conduct of Business. Except as expressly permitted by this Agreement or with the prior written consent of Purchaser, during the period from the date of this Agreement to the Closing Date, the Company shall, and the Company shall cause each Subsidiary to, conduct its business only in the ordinary course consistent with past practice and the Company shall use its commercially reasonable efforts, and the Company shall cause each Subsidiary to use its commercially reasonable efforts, to preserve intact its present business organization, keep available the services of its present officers and employees and preserve its current relationships with customers, suppliers, creditors and business partners. Without limiting the generality of the foregoing, and except as otherwise expressly set forth in Schedule 7.1, during the period from the date of this Agreement through the Closing Date, the Company shall not, and the Company shall cause each Subsidiary not to, and for purposes of Section 7.1(a) hereof, the Stockholders shall not, without the prior written consent of Purchaser:

(a) amend the certificate of incorporation or by-laws or comparable organizational documents of the Company or any Subsidiary;

(b) issue, reissue, sell, deliver, transfer, repurchase, redeem, acquire or pledge or authorize or propose the issuance, reissuance, sale, delivery, transfer, repurchase, redemption, acquisition or pledge of shares of capital stock of any class or series, or any securities convertible into capital stock of any class or series, or grant or enter into any rights, warrants, options, agreements or commitments with respect to the issuance of such capital stock or convertible securities or amend any terms of any such right, warrant, option, agreement or commitment;

(c) declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of any class or series of its capital stock;

(d) adjust, split, combine, subdivide or reclassify any shares of its capital stock, as the case may be, or any option, warrant or right relating thereto;

(e) (i) sell, lease, transfer or otherwise dispose of any of its properties, assets or rights, other than (x) sales of inventory in the ordinary course of business consistent with past practice in an amount not to exceed \$1,000,000 for any individual sale or (y) transfers of other properties, assets or rights for fair value in an amount not to exceed \$1,000,000 individually or \$5,000,000 in the aggregate; (ii) permit, allow or suffer any of its properties or assets to be subjected to any Lien, restriction or charge other than Permitted Liens; or (iii) acquire or lease any properties, assets or rights in an amount not to exceed \$1,000,000 individually or \$5,000,000 in the aggregate;

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(f) create, incur, assume or guarantee any Indebtedness other than revolving credit borrowings in the ordinary course of business consistent with past practice;

(g) change any of the accounting or tax principles, practices or methods used by the Company or any Subsidiary, fail to maintain the accounts, books and records of the Company or any Subsidiary in the usual, regular and ordinary manner on a basis consistently applied;

(h) enter into, amend or supplement any employment, severance, termination or other agreement or employee benefit plan, including any of the Plans, or make any change in the compensation, severance or termination benefits payable or to become payable to any of its officers, directors, employees, agents or consultants (other than planned annual increases in the rates of compensation to employees who are not officers or directors or Affiliates of the Company or any of the Subsidiaries in the ordinary course of business consistent with past practice, provided such increases are disclosed to Purchaser in advance);

(i) enter into, adopt, amend or terminate any collective bargaining agreement;

(j) make any payments (other than accrued management fees payable to Kohlberg & Co. for the period ending on the Closing Date consistent with past practice and regular compensation payable to officers and employees of the Company or the Subsidiaries in the ordinary course of business consistent with past practice), loans, advances or other distributions to, or enter into any transaction, agreement or arrangement with, any of its Affiliates, officers, directors, partners, employees, agents, consultants, stockholders or their Affiliates, associates or family members;

(k) acquire by merging or consolidating with, or by purchasing a substantial portion of the assets or securities of, or by any other manner, any corporation, partnership, joint venture or other entity;

(l) make or authorize any capital expenditures or commitment for capital expenditures other than in the ordinary course of business consistent with past practice not in excess of \$_____ individually or \$_____ in the aggregate;

(m) settle or compromise any Tax liability or agree to any adjustment of any Tax attribute or make any election with respect to its Taxes;

(n) fail to duly and timely file any Tax Return with the appropriate Governmental Authorities required to be filed by it in a true, complete and correct form in all material respects or to timely pay all Taxes shown to be due thereon;

(o) (i) except in the ordinary course of business consistent with past practice and involving liabilities or obligations not in excess of \$_____ individually or

\$250,000 in the aggregate, enter into, or amend, terminate or waive any right under, any contract, any agreement or arrangement or (ii) take any action or fail to take any action within its reasonable control that, with or without either notice or lapse of time, or both, would constitute a default under any contract, agreement or arrangement;

(p) fail to maintain or renew (at levels consistent with presently existing levels) any policy of insurance listed on Schedule 5.18 or take any action within its reasonable control that would permit cancellation of any such policy, or enter into (except for renewals in the ordinary course of business consistent with past practice), any policy of insurance; or

(q) enter into any agreement, commitment or transaction with respect to taking any of the foregoing actions or any action that would make any representation or warranty contained in this Agreement untrue or incorrect in any material respect or which could reasonably be expected to prevent the satisfaction of any condition to Closing set forth in Article VIII hereof or to otherwise prevent or materially delay the consummation of the transactions contemplated by this Agreement.

Section 7.2 Reasonable Efforts. Upon the terms and subject to the conditions of this Agreement, each of Purchaser, the Stockholders and the Company agree to, and the Company agrees to cause each of the Subsidiaries to, use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under applicable Laws to consummate and make effective the transactions contemplated by this Agreement as promptly as practicable (including satisfaction, but not waiver, of the conditions to Closing set forth in Article VIII hereof).

Section 7.3 Consents.

(a) Without limiting the generality of Section 7.2 hereof, each of the parties hereto shall use commercially reasonable efforts to obtain all Consents of all Governmental Authorities and, to the extent that the failure to obtain such consents would have a Material Adverse Effect, all third parties necessary in connection with the consummation of the transactions contemplated by this Agreement prior to the Closing. Notwithstanding the foregoing, neither Purchaser nor the Company shall have any obligation to pay any fee to any third party (which does not include filing or other fees payable to Governmental Authorities) for the purpose of obtaining any Consent or any costs and expenses of any third party resulting from the process of obtaining such Consents. Each of the parties hereto shall make or cause to be made all filings and submissions under laws and regulations applicable to it as may be required for the consummation of the transactions contemplated by this Agreement.

(b) Notwithstanding the foregoing, nothing in this Agreement shall be deemed to require any party hereto to enter into any agreement with any Governmental Authority or to consent to any order, decree or judgment requiring such party to hold,

separate or divest, or to restrict the dominion or control of such party or any of its Affiliates over, any of the assets, properties or businesses of such party or its Affiliates in existence on the date hereof.

Section 7.4 Antitrust Notification. Each of the parties shall use its respective commercially reasonable efforts to obtain all authorizations or waivers required under the HSR Act and the Competition Laws to consummate the transactions contemplated hereby, including, without limitation, making all filings required in connection therewith.

Section 7.5 Further Assurances. From and after the Closing Date, the Stockholders shall take all such action as may be necessary or appropriate in order to carry out the purposes of this Agreement or to vest the Purchaser with full title to all Company Shares.

Section 7.6 Access to Information; Confidentiality.

(a) During the period from the date of this Agreement through the Closing Date, the Stockholders and the Company shall permit, and shall cause the Subsidiaries to permit, Purchaser and its advisors, accountants, attorneys and representatives to have access, during regular business hours and upon reasonable notice, to the offices, facilities, assets, properties, employees, books and records of the Company and the Subsidiaries, and shall furnish, or cause to be furnished, to Purchaser, such financial, tax and operating data and other information with respect to such entities and their respective offices, facilities, assets, properties, employees, businesses and operations as Purchaser shall from time to time reasonably request. Purchaser shall hold, and shall cause its Affiliates, advisors, accountants, attorneys and representatives to hold, any non-public information so provided to Purchaser by or on behalf of Seller or the Company in connection with the transactions contemplated by this Agreement in confidence in accordance with the provisions of the Confidentiality Agreement.

(b) From and after the Closing Date, each of the Stockholders shall hold, and shall cause its Affiliates, advisors, accountants, attorneys and representatives to hold, any material non-public information concerning or relating to the Company or any of the Subsidiaries in confidence except for such disclosures as may be (i) consented to by Purchaser in writing or (ii) required by law.

Section 7.7 Notification of Certain Matters. The Stockholders and the Company shall give prompt notice to Purchaser and Purchaser shall give prompt notice to the Stockholders and the Company of the occurrence, or non-occurrence, of any event the occurrence or non-occurrence of which would be reasonably likely to cause (i) any representation or warranty of the Stockholders, the Company or Purchaser, as the case may be, contained in this Agreement to be untrue or inaccurate in any material respect at or prior to the Closing or (ii) the Stockholders, the Company or Purchaser, as the case may be, to fail to comply with or satisfy in any material respect any covenant, condition or agreement to be complied

with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 7.7 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

Section 7.8 Intercompany Obligations; Affiliate Agreements. Except for those agreements set forth in Schedule 7.8, as of the Closing, the Stockholders and the Company shall cause all agreements between the Stockholders or any of their Affiliates (other than the Company and the Subsidiaries), on the one hand, and the Company or any of the Subsidiaries, on the other hand (the "Affiliate Agreements"), to be terminated in all respects such that there is no liability thereunder on the part of the Company or any Subsidiary. Each Stockholder shall cause such Stockholder's Affiliates to effectuate the foregoing without, and each Stockholder shall indemnify Purchaser and its Affiliates (including the Company and the Subsidiaries) from, any cost or expense to the Company or any Subsidiary or to Purchaser as a result of Affiliate Agreements to which such Stockholder or its Affiliates are party.

Section 7.9 Supplements to Disclosure Schedule. The Stockholders and the Company shall promptly supplement or amend the Schedules hereto prior to the Closing with respect to any matter known to them hereafter arising or discovered which, if existing or known at the date of this Agreement, would have been required to be set forth or otherwise disclosed in the Schedules (the "Updated Information"). No such supplement or amendment of the Schedules to include the Updated Information shall (i) affect the ability of Purchaser to rely on the conditions to Closing set forth in Article VIII hereof, or (ii) be deemed to have been set forth or otherwise disclosed as of the date of this Agreement unless Purchaser specifically agrees thereto in writing.

Section 7.10 Access to Books and Records Following the Closing. Following the Closing, Purchaser shall permit the Stockholders and their authorized representatives, during normal business hours and upon reasonable notice, to have reasonable access to, and examine and make copies of, all books and records which relate to transactions or events occurring prior to the Closing or transactions or events occurring subsequent to the Closing which are related to or arise out of transactions or events occurring prior to the Closing.

Section 7.11 Escrow Agreements. For the purpose of securing the Stockholders' indemnity obligations pursuant to Article IX of this Agreement as well as Purchaser's right, if any, to a purchase price adjustment pursuant to Section 4.2(d) hereof, at the Closing, Purchaser and the Stockholders shall enter into an escrow agreement, substantially in the form of Exhibit A hereto (the "Escrow Agreement") with an escrow agent selected by Purchaser and reasonably acceptable to the Stockholders.

Section 7.12 Stockholders' Representative. Each Stockholder hereby irrevocably appoints KSUN Acquisition Company, L.P. (the "Representative"), as its agent and attorney-in-fact, with full power, by and in the name of such Stockholder, to give and receive notice of, determine, give and accept service of process, contest and settle any and all Stockholder Claims and any other matter in connection with this Agreement and the Escrow Agreement. The Representative shall have full power to appoint and substitute any person in his place and stead. The term Representative shall include any substitute appointed pursuant hereto. All deliveries and payments to be made by Purchaser to any Stockholder hereunder shall be made exclusively to the Representative on behalf of Stockholders and any delivery or payment so made to the Representative shall constitute full performance of the obligations hereunder of Purchaser, as the case may be, to Stockholders. Purchaser shall not be liable for allocation of particular deliveries and payments among Stockholders.

Section 7.13 Cancellation of Options. Prior to the Closing Date, the Company shall use its best efforts to obtain all necessary consents or releases from holders of Options, to the extent required by the terms of the plans or agreements governing such Options, or pursuant to the terms of any Option granted thereunder, and take all such other lawful action as may be necessary to give effect to the transactions contemplated by Section 2.4. Except as otherwise agreed to by Purchaser and the Company, (i) the Company shall take all action necessary to ensure that the Company's Stock Option Plan (the "Stock Option Plan") shall have been terminated as of the Closing Date and the provisions in all other plans, programs or arrangements providing for the issuance or grant of any other interest in respect of the capital stock of the Company or any Subsidiary thereof shall be cancelled as of the Closing Date, (ii) from and after the date hereof, no Option or other interest in respect of the capital stock of the Company shall be granted by the Company or any of its Subsidiaries pursuant to the Stock Option Plan or such other plan, program or arrangement referred to in clause (i) above and (iii) following the Closing Date, (a) no participant in the Stock Option Plan or other plans, programs or arrangements shall have any right thereunder to acquire equity securities of the Company, Purchaser or any subsidiary thereof and all such plans shall have been terminated, and (b) the Company will not be bound by any convertible security, option, warrant, right or agreement which would entitle any person to own any capital stock of the Company, the Purchaser or any Subsidiary thereof.

Section 7.14 Resignations. At or prior to the Closing Date, the Company shall cause each director of the Company and each of the Subsidiaries listed on Schedule 7.14 hereto to execute and deliver to Purchaser a letter of resignation, effective on the Closing Date, from his or her position as a director (but not terminating the employment, if any, of such person with the Company or the Subsidiaries).

Section 7.15 Company Expenses. No later than two business days prior to the Closing Date, the Company will provide Purchaser with its good faith estimate of the amount of the Company Expenses and all documentation relating thereto. Such documentation shall include (i) final statements of all fees and expenses of J.P. Morgan Securities, Inc. and Brownstein Hyatt Farber & Strickland, P.C. (and any other attorneys whose fees and expenses are included in the Company Expenses) and (ii) a final calculation of all "stay bonuses" payable to the Company's employees.

ARTICLE VIII

CONDITIONS TO CLOSING

Section 8.1 Mutual Conditions to the Obligations of the Parties. The respective obligations of each party hereto to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver at or prior to the Closing of each of the following conditions:

(a) No Injunctions or Legal Prohibitions. No temporary restraining order, preliminary or permanent injunction or other judgment, order or decree issued by a court of competent jurisdiction which prevents the consummation of the transactions contemplated hereby shall have been issued and remain in effect, and no statute, rule or regulation shall have been enacted, promulgated or enforced by any Governmental Authority which makes the consummation of the transactions contemplated hereby illegal; provided, that the parties shall use their reasonable best efforts to have any temporary or preliminary order or injunction lifted.

(b) HSR Act, etc. The applicable waiting period under the HSR Act and any Competition Laws shall have expired or been terminated.

Section 8.2 Conditions to the Obligations of Purchaser. The obligation of Purchaser to consummate the transactions contemplated by this Agreement is subject to the satisfaction at or prior to the Closing of the following conditions (unless waived, to the extent permitted by applicable Law, by Purchaser):

(a) Representations and Warranties. The representations and warranties of the Stockholders and the Company contained herein shall be true, correct and complete in all respects without regard to any materiality qualification set forth therein as of the date when made and at and as of the Closing Date, as though such representations and warranties were made at and as of such date, except for such breaches of representations and warranties as, individually or in the aggregate, do not have a Material Adverse Effect.

(b) Performance. The Stockholders and the Company shall have performed and complied with, in all material respects, all agreements, conditions, covenants and

obligations required by this Agreement to be performed or complied with by the Stockholders on or prior to the Closing Date.

(c) No Material Adverse Effect. From the date of this Agreement to the Closing Date, there shall not have occurred any condition, event or circumstance, change or effect that, individually or in the aggregate, has resulted or would reasonably be expected to result in a Material Adverse Effect.

(d) Officer's Certificate. The Company shall have delivered to Purchaser a certificate, dated as of the Closing Date, executed by a duly authorized officer of the Company, certifying the satisfaction of the conditions set forth in subparagraphs (a), (b) and (c) of this Section 8.2.

(e) Consents. All Consents of any Governmental Authority required to be obtained, declarations or filings required to be made, and all waiting periods or terminations required to have occurred prior to the Closing shall have been obtained, made or occurred, and all Consents of third parties that, if not obtained, would have a Material Adverse Effect shall have been obtained.

(f) Legal Opinion. Purchaser shall have received an opinion of legal counsel to the Company and the Representative, addressed to Purchaser, dated as of the Closing Date, in form and substance satisfactory to Purchaser.

Section 8.3 Conditions to the Obligations of the Stockholders and the Company. The obligation of the Stockholders and the Company to consummate the transactions contemplated by this Agreement is subject to the satisfaction at or prior to the Closing of the following conditions (unless waived, to the extent permitted by applicable Law, by the Stockholders and the Company):

(a) Representations and Warranties. The representations and warranties of Purchaser contained herein which are qualified as to materiality shall be true, correct and complete in all respects, and such representations and warranties as are not so qualified shall be true, correct and complete in all material respects, as of the date when made and at and as of the Closing Date, as though such representations and warranties were made at and as of such date.

(b) Performance. Purchaser shall have performed and complied with, in all material respects, all agreements, conditions, covenants and obligations required by this Agreement to be performed or complied with by Purchaser on or prior to the Closing Date.

(c) Officer's Certificate. Purchaser shall have delivered to the Stockholders and the Company a certificate, dated as of the Closing Date, executed by a duly authorized officer of Purchaser, certifying to the satisfaction of the conditions set forth in subsections 8.3(a) and (b) hereof.

that the Company repays all outstanding balances under the Credit Agreement prior to August 26, 1998.

Section 9.2 The Stockholders' Limitation of Liability.

(a) Anything in this Agreement to the contrary notwithstanding, the liability of the Stockholders to indemnify the Purchaser Group pursuant to Section 9.1 hereof against any Damages sustained by reason of any Stockholder Claim or Bank Fees shall be limited to Stockholder Claims and Bank Fees as to which any member of the Purchaser Group has given the Representatives written notice on or prior to the first anniversary of the Closing Date, whether or not any Damages have then actually been sustained; provided, however, that, notwithstanding the foregoing, (x) the Stockholders shall have no obligation to indemnify the Purchaser Group against any Damages sustained by reason of any Stockholder Claim for a breach of any of the representations and warranties set forth herein that is asserted after the expiration of the applicable survival period for such representation and warranty set forth in Section 9.4, and (y) the Stockholders' obligation to indemnify the Purchaser Group with respect to Known Claims shall be limited to actual out-of-pocket losses (which shall include the market value of seed or other property transferred in consideration of any claim or loss) sustained by the Purchaser Group prior to the first anniversary of the Closing Date.

(b) Anything in this Agreement to the contrary notwithstanding, (i) in no event shall the aggregate amount of the Stockholders' indemnity obligations pursuant to Section 9.1 hereof with respect to Stockholder Claims exceed _____ (the sole source of recovery under such indemnity being the funds deposited pursuant to the Escrow Agreement) and (ii) each Stockholder's obligation to indemnify the Purchaser Group with respect to all Stockholder Claims shall be limited in the aggregate to such Stockholder's *pro rata* portion of the funds deposited in escrow pursuant to the Escrow Agreement. The provisions of this Section 9.2(b) shall not apply to any obligations to indemnify the Purchaser Group for Damages related to the Bank Fees pursuant to Section 9.1(c)

(c) (i) The provisions in Section 9.1 hereof for indemnity by the Stockholders of the Purchaser Group against Damages sustained by reason of any Unknown Claim shall be effective only after the aggregate amount of all such Stockholder Claims for which the Stockholders are liable exceeds _____ less the aggregate amount of Damages, if any, paid by the Purchaser Group with respect to Known Claims, and then only to the extent of such excess, (ii) the Stockholders shall only be required to indemnify the Purchaser Group for fifty percent of the first _____ of Damages (net of any available insurance proceeds recoverable by the Purchaser Group with respect thereto) sustained by reason of any Known Claim, and (iii) no Stockholder Claim in an amount less than _____ may be asserted (it being understood that multiple claims arising from the same or similar operative facts and circumstances shall be deemed a single claim). The provisions of this Section 9.2(c) shall not apply to any obligations to indemnify the Purchaser Group for Damages related to the Bank Fees pursuant to Section 9.1(c)

ARTICLE IX

INDEMNIFICATION OBLIGATIONS: SURVIVAL

Section 9.1 Agreements to Indemnify.

(a) Subject to the terms and conditions of this Article IX, from and after the Closing, (x) each of the Stockholders, jointly and severally, shall indemnify, defend and hold harmless Purchaser, the Company, each Subsidiary and each of their respective successors and permitted assigns, directors, officers, employees, representatives, agents, Affiliates and associates (collectively, the "Purchaser Group") from and against any and all losses, liabilities, expenses (including reasonable attorneys' fees), claims and damages (collectively, "Damages") asserted against, resulting to, imposed upon or suffered by the Purchaser Group, or any one of them, arising out of or related to (a) any claims and other identified risks listed on Exhibit B hereto (the "Known Claims"), and (b) any breach of any representation, warranty, covenant or agreement of the Company contained in or made pursuant to this Agreement (the "Unknown Claims") and (y) each of the Stockholders, severally and not jointly, shall indemnify the Purchaser Group against Damages suffered by the Purchaser Group arising out of or related to any breach of any representation, warranty or covenant made by such Stockholder in this Agreement (collectively, "Stockholder Claims").

(b) Subject to the terms and conditions of this Article IX, from and after the Closing, Purchaser and the Company, jointly and severally, shall indemnify, defend and hold harmless each of the Stockholders and their respective directors, officers, employees, representatives, agents, Affiliates and associates (collectively, the "Seller Group") from and against any and all Damages suffered by the Seller Group, or any one of them, arising out of or related to (a) any breach of any representation or warranty of the Purchaser contained in or made pursuant to this Agreement, (b) any breach of any covenant or agreement of the Purchaser contained in or made pursuant to this Agreement, or (c) any liability or obligation arising from the conduct of the business of the Company subsequent to the Closing.

(c) Subject to the terms and conditions of this Article IX, from and after the Closing, each of the Stockholders, jointly and severally, shall indemnify, defend and hold harmless the Purchaser Group from and against any and all Damages suffered by the Purchaser Group, or any one of them, arising out of or related to any fees (the "Bank Fees") payable to IBJ Schroder Bank & Trust Company ("IBJS") pursuant to the Amendment Fee Letter, dated as of August 26, 1997, entered into between IBJS, the Company and Sunseeds Company in connection with the Third Amendment, dated as of August 26, 1997, to the Credit Agreement, other than the paid to IBJS on August 26, 1997 pursuant to subparagraph (a) of the Amendment Fee Letter; provided that the Purchaser Group shall only be entitled to indemnification of the Bank Fees pursuant to this Section 9.1(c) in the event

expense of the Stockholders, copies of any documents received by the Purchaser Group which relate to such Stockholder Claim;

(iii) If the Representative, within a reasonable time after notice of any such Stockholder Claim, fail to defend the member (s) of the Purchaser Group against which such Stockholder Claim has been asserted, the Purchaser Group shall (upon further notice to the Representative) have the right to undertake the defense, compromise or settlement of such Stockholder Claim on behalf of and for the account and risk of the Stockholders; subject to the right of the Representative to assume the defense of such Stockholder Claim at any time prior to settlement, compromise or final determination thereof; and

(iv) Anything in this Article IX to the contrary notwithstanding, (i) if there is a reasonable probability that a Stockholder Claim may materially and adversely affect the Purchaser Group other than as a result of money damages or other money payments, the Purchaser Group shall have the right, at its own cost and expense, to defend, compromise or settle such Stockholder Claim; and (ii) the Representative shall not, without the written consent of the Purchaser Group, settle or compromise any Stockholder Claim or consent to the entry of any judgment which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the Purchaser Group a release from all liability with respect to such Stockholder Claim.

(b) The Stockholders' obligations to indemnify and hold the Purchaser Group harmless against Damages are subject to the following terms and conditions:

(i) If the Purchaser Group has a reasonable good faith basis for asserting a claim for Damages, it shall give prompt written notice to the Representative and the Escrow Agent (as defined in the Escrow Agreement), briefly setting forth the basis of the claim and the amount thereof (or, if not then determinable by the Purchaser Group, a reasonable good faith estimate of the amount thereof) in reasonable detail.

(ii) Promptly after any determination of a Stockholder Claim in accordance with the provisions of the Escrow Agreement and promptly after any receipt of notice of the determination of a Stockholder Claim in accordance with the provisions of Section 3.1 of the Escrow Agreement, the Escrow Agent shall deliver to Purchaser, free and clear of any interest of the Stockholders therein, Escrow Funds (as defined in the Escrow Agreement) in an amount equal to the amount, if any, of such Stockholder Claim payable to Purchaser pursuant to such determination. Such amount shall be charged against each Stockholder's *pro rata* portion of the Escrow Funds. If the amount of the Escrow Funds then held by the Escrow Agent is less than the

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed as of the date first written above.

NUNZA B.V.

By: 
Name: Henry J. Lange
Title: CEO

SUNSEED CORPORATION

By: _____
David Atkinson
President

KSUN ACQUISITION COMPANY, L.P.

By: Kohlberg Associates, L.P.
Its General Partner

By: _____
Title: General Partner

KOCO INVESTORS I, L.P.

By: Kohlberg Associates, L.P.
Its General Partner

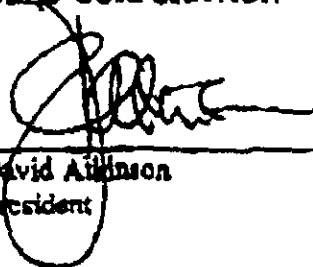
By: _____
Title: General Partner

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed as of the date first written above.

NUNZA B.V.

By: _____
Name: _____
Title: _____

SUNSEED CORPORATION

By: 
David Atkinson
President

KSUN ACQUISITION COMPANY, L.P.

By: Kohlberg Associates, L.P.
Its General Partner

By: _____
Title: General Partner

KOCO INVESTORS I, L.P.

By: Kohlberg Associates, L.P.
Its General Partner

By: _____
Title: General Partner

MICROFILMED

IN WITNESS WHEREOF, the parties have executed or caused this Agreement
to be executed as of the date first written above.

NUNZA B.V.

By: _____
Name:
Title:

SUNRED CORPORATION

By: _____
David Ashken
President

ESUN ACQUISITION COMPANY, L.P.

By: Kohlberg Associates, L.P.
Its General Partner

By: Kohlberg & Kohlberg, L.L.C.
Its General Partner

By: _____
James A. Kohlberg
President

KOCO INVESTORS I, L.P.

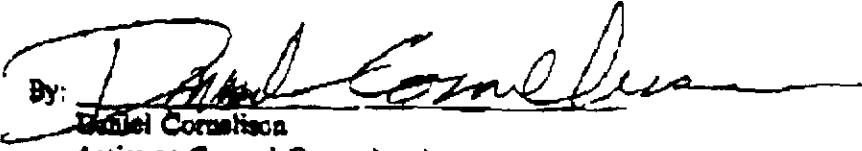
By: Kohlberg Associates, L.P.
Its General Partner

By: Kohlberg & Kohlberg, L.L.C.
Its General Partner

By: _____
Walter W. Farley
Treasurer

PIONEER HY-BRED INTERNATIONAL, INC.

By:


Daniel Cornelson
Assistant General Counsel and
Assistant Secretary

MANAGEMENT STOCKHOLDERS

David Adkinson

Ronald Amarel

Robert Miller

Roger Moore

James Thompson

Anthony Padgett

*
Douglas Gans

*
Samuel Cannon

*
David E. Roth

*
Wayne Bentsdahl

*
Josep Trias

*
Glen Kaufman

*By: 
Christopher Lacovara
Attorney-in-Fact

Pursuant to Power of Attorney
dated September 12, 1997

SCHEDULE 5.16 (a)

Real Property

See attached.

MOORE

801 2 2 1989

Schedule 5.16 (a) Real Property

- A. Sunseeds Company currently owns property at the following locations. Legal descriptions of these locations are attached as Annex A to this schedule.
1. Land in El Centro, California (Imperial County), subject to a mortgage in favor of IBJ Schroder Bank & Trust Company as Agent for the Lenders described in Sunseeds Company Second Amended Restated Credit Agreement dated June 28, 1996.
 2. Land near Parma, Idaho (Payette County), subject to a mortgage in favor of IBJ Schroder Bank & Trust Company as Agent for the Lenders described in Sunseeds Company Second Amended Restated Credit Agreement dated June 28, 1996.
 3. Land in Brooks, Oregon (Marion County), subject to a mortgage in favor of IBJ Schroder Bank & Trust Company as Agent for the Lenders described in Sunseeds Company Second Amended Restated Credit Agreement dated June 28, 1996.
 4. Land in Lodi, California (San Joaquin County), subject to a mortgage in favor of IBJ Schroder Bank & Trust Company as Agent for the Lenders described in Sunseeds Company Second Amended Restated Credit Agreement dated June 28, 1996.
 5. Land in Patterson, California (Stanislaus County), subject to a mortgage in favor of IBJ Schroder Bank & Trust Company as Agent for the Lenders described in Sunseeds Company Second Amended Restated Credit Agreement dated June 28, 1996.
 6. Land in Correo Polpaico, Santiago, Chile in favor of Banco de Chile.
- B. Descriptions of properties are attached.

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Schedule 5.16(a)

Real Property

Sunseeds Company

First American Title Insurance Company Policies

	Policy #	Date
Patterson, CA		March 14, 1995
Lodi, CA		March 14, 1995
El Centro, CA		
Brooks, Or		April 4, 1994
With First American Title Insurance Company of Oregon		
Parma, ID	CW153310	Endorsement 3-14-95

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ANNEX A

LEGAL DESCRIPTION OF
THE PARMA, IDAHO (PAYETTE COUNTY) PROPERTY

Land in Twp. 6 N., R. 5 W., Payette County, Idaho:

In Sec. 9: A parcel of land in the S½NW¼, more particularly described as follows:

Beginning at a point which is located at the center of the intersection of U.S. Highway 95 with U.S. Highway 20-26, as existed prior to 1991;

thence in an Easterly direction along the center line of the County Road 732 feet to the TRUE POINT OF BEGINNING;

thence Easterly along the center line of the County Road 650 feet;

thence in a Northerly direction parallel to U.S. Highway 95 a distance of approximately 890 feet to the center line of a drain running Westerly across the property;

thence along the center line of said drain in a Westerly and Northwesterly direction to the center line of U.S. Highway 95, which point is approximately 1,294 feet North of the intersection of the center of the U.S. Highway 95 and the center of U.S. Highway 20-26, as existed prior to 1991;

thence in Southerly direction along the center line of U.S. Highway No. 95 to a point 660 feet North of the center of the intersection of U.S. Highway 95 with U.S. Highway 20-26, as existed prior to 1991;

thence in an Easterly direction, 732 feet;

thence in a Southerly direction parallel to U.S. Highway 95, 660 feet to the TRUE POINT OF BEGINNING.

SAVE AND EXCEPT that portion conveyed to the State of Idaho by Deeds recorded October 11, 1991, Fee Nos. 236275 and 236276, Deed Records of Payette County, Idaho.

This is a Mortgaged Facility.



RECEIVED

DEC - 5 2003

Department of Water Resources

December 4, 2003

Mr. James F. Zokan
State of Idaho
Department of Water Resources
P. O. Box 83720
Boise, ID 83720-0098

Dear Mr. Zokan:

In response to your letter of November 7, 2003 (which was received by Sunseeds on Monday, December 1, 2003), I am not aware of any other water rights that came with the original purchase of the company's property. It is my understanding that all relevant change of ownership forms and filings have been completed and fees paid as required.

Sincerely,

Ed Bartkowski
Director of Operations

MICROFILMED

1200 Anderson Corner Road, Parma ID 83660

Tel: (208) 674-2208 • Fax: (208) 674-2372

MEMORANDUM

Date: November 05, 2003
To: Water Right File 63-30202
From: jzokan
Re: Possible Enlargement

I notified Water Distribution of a possible enlargement of this water right through the use of a domestic right for commercial use. Commercial use is a 6000 sft green house used for year round experimental seedling propagation. Water Distribution said there are larger enlargement issues to deal with.

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FEB 10 2004



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

November 7, 2003

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

SUNSEEDS CO
1200 ANDERSON CORNER RD
PARMA ID 83660

RE: Change in Ownership for Decreed Water Right No. 63-30202

Dear Interested Parties:

The Department of Water Resources acknowledges receipt of your Notice of Change in Water Right Ownership. The Department has modified its records to reflect the changes in ownership and has enclosed computer-generated reports for your records.

During my review of the ownership documentation, I called Ed Bartkowski, Director of Operations with your company, to clarify some questions. Mr. Bartkowski brought to my attention other than domestic use for office and warehouse your company has 6000 sq ft of green house space that is used for experimental seedling propagation. I am interested in knowing if your company may have other water rights that came with the original purchase of the company's property, that you have not filed an ownership change on. Please send me any information that may help in clarifying this issue.

Effective July 1, 2000, the legislature enacted House Bill No. 545 requiring a filing fee for a change in water right ownership. The fee is \$25 per water right, except for ownership changes resulting in the division of a water right, which is \$100 per water right. All ownership change notices received after June 30, 2000 must include the appropriate filing fees in order to be processed.

Please note that water right owners are required to report any change in water right ownership and/or mailing address to the Department within 120 days of the change. Failure to report these changes could result in a \$100 late filing fee. Contact any office of the Department or visit the Department's homepage (<http://www.idwr.state.id.us>) on the Internet to obtain the proper forms and instructions.

Please feel free to contact me at (208) 327-5452, if you have any questions.

Sincerely,


James F. Zokan
Sr. Water Resource Agent

JFZ:klt

Enclosures

MICROFILMED

NOV 26 2003



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

October 3, 2003

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

SUNSEEDS CO.
1200 ANDERSON CORNER RD
PARMA ID 83660

RE: Change in Ownership for Decreed Water Right No. 63-30202

Dear Interested Parties:

The Department of Water Resources acknowledges receipt of your Notice of Change in Water Right Ownership. Our review of your notice indicates that additional information is required before we can process the change. The information required is indicated below:

☒ **Evidence of Water Right Ownership:** copy of Deed, Title Policy, Contract of Sale, or other legal document indicating **Sunseeds Co.** ownership of the property and/or water rights in question

☒ **Legal Description of Property**

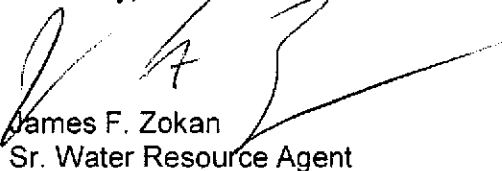
During our review of the documentation you submitted we found some discrepancies between that documentation and the legal description of the place of use for the water right(s) indicated in your notice. I have enclosed a copy of Decreed Water Right 63-30202 for your reference.

Because the Department cannot process the ownership change without proper documentation, we will hold any action on your notice pending receipt of the necessary information. If we do not receive the necessary information within 30 days we will return your notice and all attachments and your notice will not be processed.

Please note that water right owners are required to report any change in water right ownership and/or mailing address to the Department within 120 days of the change. Failure to report these changes could result in a \$100 late filing fee. Contact any office of the Department or visit the Department's homepage (<http://www.idwr.state.id.us>) on the Internet to obtain the proper forms and instructions.

Please feel free to contact me at 208-327-5452, if you have any questions.

Sincerely,



James F. Zokan
Sr. Water Resource Agent

JFZ:klt

Enclosure

MICROFILMED

NOV 26 2003



State of Idaho
DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way, Boise, Idaho 83705-5082 - (208) 334-2190
FAX (208) 334-2348

RECEIVED

AUG 09 2000

WATER RESOURCES
WESTERN REGION

DIRK KEMPTHORNE
GOVERNOR

KARL J. DREHER
DIRECTOR

June 15, 2000

RECEIVED

AUG - 8 2000

Department of Water Resources

SUNSEEDS CO
1200 ANDERSON CORNER RD
PARMA ID 83660

RE: Notice of Change of Water Right Ownership No. 63-30202

Dear Property Owner(s):

Enclosed is a copy of your Notice of Change of Water Right Ownership form that you recently submitted to our office. However, we cannot continue to process the ownership change without legal documentation indicating the name change. This can be a copy of a warranty deed(s), sales contract or **tax assessment in your name(s)** which includes the legal description of the property by ¼ ¼, Section, Township and Range.

Please submit this documentation, and we will be able to complete the name change.

Thank you for your patience and cooperation, as we have had several ownership changes to process. Feel free to contact our office if you have any questions concerning this letter.

Sincerely,

Adjudication Section
Western Region
(208) 334-2190

DB:d

Enclosures

MICROFILMED

NOV 26 2000