UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) February 7, 2003

Jarden Corporation

(Exact name of registrant as specified in its charter)

Delaware	0-21052	35-1828377
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

555 Theodore Fremd Avenue, Rye, New York	10580
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (914) 967-9400

(Former name or former address, if changed since last report.)

Item 2. Acquisition of Assets

On February 7, 2003, we acquired substantially all of the business assets and assumed certain liabilities of Diamond Brands, Incorporated, and its subsidiaries ("Diamond Brands"). Diamond Brands manufactures and sells an array of products for use in the home including kitchen matches, toothpicks, disposable plastic cutlery, straws, clothespins and wooden crafts sold primarily under the Diamond(R) and Forster(R) trademarks. We acquired these assets and assumed certain liabilities pursuant to the terms of an Asset Purchase Agreement dated November 27, 2002, among Diamond Brands, Incorporated, Diamond Brands Operating Corp., Forster, Inc. and Diamond Brands Kansas, Inc., (the "Purchase Agreement") which was subsequently amended by a Technical Modification to Joint Plan of Reorganization (the "Technical Modification"), which comprises a part of the Confirmation Order (as described below). We plan, in general, to use these assets in substantially the same manner as were used by Diamond Brands and its direct and indirect subsidiaries.

The consideration for this acquisition consisted of the following:

- $85 million in cash paid at closing;
- at our election, either (a) $6 million in cash payable by wire transfer in immediately available funds or (b) an amount of our common stock with a fair market value of $6 million as of the date of delivery, in either case to be delivered on or before August 7, 2003 (the "Deferred Payment"); and
- the assumption of certain liabilities.

This acquisition was financed at closing with the combination of our available cash and borrowings under our credit facility, which we have amended to increase our available borrowings. The $6 million Deferred Payment is being secured by a letter of credit in the same amount issued under our credit facility, as amended. See "Other Events - Amendment to Existing Credit Facility".

If we issue stock in satisfaction of the Deferred Payment, the value of each share will be determined by taking the average of the closing price of our common stock on all securities exchanges on which such stock may at the time be listed over a period consisting of the twenty consecutive business days ending five business days preceding the date of issuance of such stock. We may only pay the Deferred Payment in cash to the extent that (a) we will be in compliance with our credit facility after giving effect to such payment and (b) there will be at least $20 million of availability remaining under our credit facility, as amended.

On January 29, 2003, this acquisition was approved by the Honorable Randall J. Newsome in connection with case No. 01-1825 (RJN), a Chapter 11 case captioned "In re: Diamond Brands Operating Corp., et al., Debtors" filed in the United States Bankruptcy Court for the District of Delaware pursuant to the Court's Findings of Fact, Conclusions of Law and

Order Confirming Joint Plan of Reorganization of Diamond Brands Operating Corp. and its Debtor Affiliates Proposed by the Debtors and Jarden Corporation (the "Confirmation Order").

Copies of the Purchase Agreement and the Technical Modification are attached to this report as Exhibits 10.1 and 99.1, respectively, and are incorporated herein by reference as though fully set forth herein. The foregoing summary descriptions of the Purchase Agreement and the Technical Modification and the transactions contemplated thereby are not intended to be complete and are qualified in their entirety by the complete text of the Purchase Agreement and the Technical Modification.

Item 5. Other Events

Amendment to Existing Credit Facility

On February 11, 2003, we closed on an amendment to our existing $100 million credit facility pursuant to the terms of Amendment No. 3 to Credit Agreement and Waiver, dated as of January 31, 2003, among Bank of America, N.A., as Administrative Agent and Lender, and the other lenders party thereto (the "Amendment").

Our Credit Agreement, as amended, provides for a senior credit facility of up to $127.5 million of senior secured loans, consisting of a $70 million revolving credit facility and a $57.5 million term loan facility.

The Amendment, among other things, provides for the following:

- an increase in the revolving credit facility from $50 million to $70 million of availability;
- an increase in the term loan facility to provide for an additional $10 million in borrowings thereunder, bringing the maximum currently available to $57.5 million and an adjustment to the previous payment schedule to reflect such additional borrowings;
- an increase in the letter of credit sublimit under the revolving credit facility from $10 million to $15 million of availability; and
- the consent of the Administrative Agent and each of the Lenders to consummate the Diamond Brands asset acquisition. See "Acquisition of Assets" set forth above.

As of February 14, 2003, we have drawn the term loan in full and have drawn approximately $14 million in cash under the revolving credit facility. We have also used an amount of approximately $10 million of availability under the revolving credit facility for the issuance of letters of credit, including the $6 million letter of credit securing the Deferred Payment for the Diamond Brands asset acquisition. See "Acquisition of Assets" set forth above.

A copy of the Amendment is attached to this report as Exhibit 10.9 and is incorporated herein by reference as though fully set forth herein. The foregoing summary description of the Amendment and the transactions contemplated thereby is not intended to be complete and is qualified in its entirety by the complete text of the Amendment.

Item 7. Financial Statements and Exhibits

(a) Financial Statements of Business Acquired.

The financial statements required in this Form 8-K will be filed by amendment on or before April 23, 2003.

(b) Pro Forma Financial Information.

The pro forma financial information required in this Form 8-K will be filed by amendment on or before April 23, 2003.

(c) Exhibits. The following Exhibits are filed herewith as part of this report:

Exhibit	Description
10.1	Asset Purchase Agreement, dated as of November 27, 2002, by and among Jarden Corporation, Diamond Brands, Incorporated, Diamond Brands Operating Corp., Forster, Inc. and Diamond Brands Kansas, Inc.
10.2	Credit Agreement, dated as of April 24, 2002, among Jarden, Bank of America, N.A., as Administrative Agent, Swing Line Lender, and L/C Issuer, Canadian Imperial Bank of Commerce, as Syndication Agent, National City Bank of Indiana, as Documentation Agent, and the other Lenders party thereto, including The Bank of New York, Fleet National Bank, Harris Trust and Savings Bank, U.S. Bank National Association, Allfirst Bank, Transamerica Business Capital Corporation, and Union Federal Bank of Indianapolis (filed as Exhibit 10.1 to Jarden's Current Report on Form 8-K filed with the Commission on May 9, 2002, and incorporated herein by reference).

Exhibit	Description
10.3	Guaranty Agreement, dated as of April 24, 2002, by the Domestic Subsidiaries to Bank of America, NA., as Administrative Agent (filed as Exhibit 10.2 to Jarden's Current Report on Form 8-K filed with the Commission on May 9, 2002, and incorporated herein by reference).
10.4	Security Agreement, dated as of April 24, 2002, among Jarden, the Domestic Subsidiaries, and Bank of America, N.A., as Administrative Agent (filed as Exhibit 10.3 to Jarden's Current Report on Form 8-K filed with the Commission on May 9, 2002, and incorporated herein by reference).
10.5	Intellectual Property Security Agreement, dated as of April 24, 2002, among Jarden, the Domestic Subsidiaries and Bank of America, N.A., as Administrative Agent (filed as Exhibit 10.4 to Jarden's Current Report on Form 8-K filed with the Commission on May 9, 2002, and incorporated herein by reference).
10.6	Securities Pledge Agreement, dated as of April 24, 2002, among Jarden, Quoin Corporation, Alltrista Newco Corporation, Caspers Tin Plate Company, and Bank of America, NA., as Administrative Agent (filed as Exhibit 10.5 to Jarden's Current Report on Form 8-K filed with the Commission on May 9, 2002, and incorporated herein by reference).
10.7	Consent, Waiver and Amendment No. 1 to Credit Agreement, dated as of September 18, 2002, among Jarden Corporation, the Guarantors, Bank of America, N.A., as Administrative Agent and Lender, and the other lenders party thereto.
10.8	Amendment No. 2 to Credit Agreement and Amendment No. 1 to Security Agreement, dated as of September 27, 2002, among Jarden Corporation, the Guarantors, Bank of America, N.A., as Administrative Agent and Lender, and the other lenders party thereto.
10.9	Amendment No. 3 to Credit Agreement and Waiver, dated as of January 31, 2003, among Jarden Corporation, the Guarantors, Bank of America, N.A., as Administrative Agent and Lender, and the other lenders party thereto.
99.1	Section entitled "Technical Modification to Joint Plan of Reorganization" from

Exhibit	Description
	the Findings of Fact, Conclusions of Law and Order Confirming Joint Plan of Reorganization of Diamond Brands Operating Corp. and its Debtor Affiliates Proposed by the Debtors and Jarden Corporation by the Honorable Randall J. Newsome on January 29, 2003, in connection with case No. 01-1825 (RJN), a Chapter 11 case captioned "In re: Diamond Brands Operating Corp., et al., Debtors" filed in the United States Bankruptcy Court for the District of Delaware.
99.2	Press Release of Jarden Corporation, dated February 7, 2003

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 14, 2003

JARDEN CORPORATION

By: /s/ Desiree DeStefano

Name: Desiree DeStefano
Title: Senior Vice President

ASSET PURCHASE AGREEMENT

BY AND AMONG

JARDEN CORPORATION,

AND

DIAMOND BRANDS INC.,

DIAMOND BRANDS OPERATING CORP.,

DIAMOND BRANDS KANSAS, INC.

AND

FORSTER, INC.

NOVEMBER 27, 2002

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LIST OF SCHEDULES AND EXHIBITS

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is made and entered into as of this 27th day of November, 2002, by and among Jarden Corporation, a Delaware corporation (the "BUYER"), Diamond Brands, Incorporated, a Minnesota corporation ("DBI"), Diamond Brands Operating Corp., a Delaware corporation and wholly-owned subsidiary of DBI ("DBOC"), Diamond Brands Kansas, Inc., a Kansas corporation ("DBKI"), and Forster, Inc., a Maine corporation and wholly-owned subsidiary of DBOC ("FORSTER"). DBI, DBOC, DBKI and Forster are sometimes referred to herein individually as a "DEBTOR" and collectively as the "DEBTORS." Capitalized terms used but not otherwise defined herein shall have the meanings accorded to them in Section 1.1 hereof.

RECITALS

A. The Debtors are engaged in the business of designing, manufacturing, marketing and selling plastic cutlery, matches, toothpicks and other wooden and plastic consumer items (the "ACQUIRED PRODUCT LINES").

B. On May 22, 2001, the Debtors filed in the United States Bankruptcy Court for the District of Delaware (the "BANKRUPTCY COURT") for bankruptcy protection pursuant to chapter 11 of the United States Bankruptcy Code, 11 U.S.C. ss.101 et seq. (the "BANKRUPTCY CODE"), which chapter 11 case is being administered under case number 01-1825 (the "REORGANIZATION CASES").

C. The Debtors continue to produce the Acquired Product Lines as debtors-in-possession.

D. The Buyer wishes to cause the Asset Buyer(s) to purchase from the Debtors, and the Debtors wish to sell to the Asset Buyer(s), certain assets of the Debtors upon the terms set forth herein.

AGREEMENT

In consideration of the foregoing, the mutual covenants herein contained and other good and valuable consideration (the receipt, adequacy and sufficiency of which are hereby acknowledged by the Parties by their execution hereof), the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

1.1 DEFINITIONS. For purposes of this Agreement, the following capitalized terms have the following meanings:

"ACCOUNTS RECEIVABLE" means all accounts receivable (including all intercompany accounts receivable), notes receivable, trade accounts, security deposits and other debts due or accruing to the Debtors.

"ACQUIRED ASSETS" has the meaning set forth in Section 2.1.1 hereof.

"ACQUIRED PRODUCT LINES" has the meaning set forth in Recital A.

"ADDITIONAL CONSIDERATION" means, at the Buyer's election, (i) $6,000,000 in cash payable by wire transfer of immediately available funds or (ii) shares of the Buyer's Common Stock with an aggregate Fair Market Value of $6,000,000 as of the date of delivery, which shares shall be freely tradeable, registered and qualified for listing prior to their issuance.

"ADMINISTRATIVE CLAIM" has the meaning set forth in the Plan of Reorganization.

"AFFILIATE" means any Person which, directly or indirectly, is in control of, is controlled by or is under common control with the party for whom an affiliate is being determined.

"AFFILIATED GROUP" means any affiliated group within the meaning of Code ss.1504(a) and any similar provision of local, state, or foreign law.

"AGREEMENT" means this Asset Purchase Agreement, including all Exhibits and Schedules hereto, as the same may be amended from time to time in accordance with its terms.

"ALTERNATIVE TRANSACTIONS ORDER" has the meaning set forth in the Plan of Reorganization.

"ASSET BUYER" means one or more Affiliates of the Buyer (which shall be formed by the Buyer prior to the Closing if not already in existence) whom the Buyer designates to consummate the Closing.

"ASSUMED CONTRACTS" means, collectively, all Contractual Obligations to which any Debtor is a party or by which any Debtor is bound which relate to the Acquired Assets and which are listed on Schedule 2.1.1.5 attached hereto, which Schedule 2.1.1.5 may be amended from time to time by the Buyer in accordance with Section 2.5.

"ASSUMED FACILITIES" means the premises at which the Debtors produce or distribute the Acquired Product Lines identified in the real property leases which are Assumed Contracts. .

"ASSUMED OBLIGATIONS" has the meaning set forth in Section 2.2.1 hereof.

"ASSUMED OWNED REAL PROPERTY" means the Owned Real Property identified in Schedule 2.1.1.7 attached hereto.

"ASSUMED PLANS" has the meaning set forth in Section 2.1.1.22.

"AUDITED FINANCIALS" has the meaning set forth in Section 5.5.

"BANKRUPTCY CODE" has the meaning set forth in Recital B.

"BANKRUPTCY COURT" has the meaning set forth in Recital B.

"BENEFIT PLAN" has the meaning set forth in Section 5.13.

"BOOKS AND RECORDS" means (i) all records and lists of the Debtors, (ii) all records and lists pertaining to the Acquired Product Lines (including, without limitation, merchandise and post-season analysis reports, marketing analysis reports and creative material) or customers, suppliers or personnel of the Debtors (including, without limitation, customer lists, mailing lists, e-mail address lists, recipient lists, sales records, correspondence with customers, customer files and account histories, supply lists and records of purchases from and correspondence with suppliers), (iii) all product, business and marketing plans of the Debtors and (iv) all other books, ledgers, files, reports, plans, drawings and operating records of every kind maintained by the Debtors related to or used in connection with the Acquired Product Lines.

"BUSINESS DAY" means a day other than a Saturday, Sunday or other day on which commercial banks are authorized or required to close under the laws of the United States of America.

"BUYER" has the meaning set forth in the opening paragraph of this Agreement.

"BUYER'S COMMON STOCK" means the common stock, par value $.01 per share, of the Buyer.

"BUYER'S REPRESENTATIONS" means all representations and warranties of the Buyer contained in Article VI.

"CASH PURCHASE PRICE" has the meaning as set forth in Section 3.1 hereof.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. ss.9601 et seq.).

"CLAIM" has the meaning set forth in ss.101(5) of the Bankruptcy Code.

"CLOSING DATE" has the meaning set forth in Section 4.1.

"CLOSING" has the meaning set forth in Section 4.1.

"CODE" means the United States Internal Revenue Code of 1986, as amended.

"COMMERCIALLY REASONABLE EFFORTS" means efforts which are commercially reasonable under the circumstances taking into account all relevant facts, but such term does not include the provision of any material consideration to any Third Party or the suffering of any material economic detriment to a Party's ongoing operations for the taking of any action (including the procurement of any consent, authorization or approval) required under this Agreement except for: (i) the costs of gathering or supplying any data or other information or making any filings; (ii) fees and expenses of counsel and consultants; and (iii) customary fees and charges of Governmental Authorities and Third Parties.

"CONFIDENTIALITY AGREEMENT" means that certain Confidentiality Agreement entered into between the Buyer and one of the Debtors.

"CONFIRMATION DATE" means the date on which the Confirmation Order is entered by the Clerk of the Bankruptcy Court in the docket for the Reorganization Cases, unless otherwise ordered by the Bankruptcy Court or such other court of competent jurisdiction exercising jurisdiction over the matters set forth in the Confirmation Order.

"CONFIRMATION ORDER" means the order of the Bankruptcy Court confirming the Plan of Reorganization pursuant to ss.1129 of the Bankruptcy Code.

"CONTRACTUAL OBLIGATION" means any binding contract, obligation, agreement, commitment or undertaking, whether oral or written, including, without limitation, any equipment leases and Facility Leases.

"CONTROVERSY" means any action, suit, proceeding, hearing, arbitration, investigation, inquiry, complaint, charge, judgment, order, decree, injunction, ruling, counterclaim, cross-claim, demand, cause of action, writ or assessment.

"COPYRIGHTS" means copyrights, including all renewals and extensions thereof, copyright registrations and applications for registration thereof, and non-registered copyrights.

"CREDITORS' COMMITTEE" has the meaning set forth in the Plan of Reorganization.

"CURE AMOUNT" means the distribution of cash, or such other property as may be agreed upon by the Parties or ordered by the Bankruptcy Court, with respect to the assumption of an Assumed Contract, pursuant to Section 365(b) of the Bankruptcy Code, in an amount equal to all unpaid monetary obligations, without interest, or such other amount as may be agreed upon by the Parties, under such Assumed Contract, to the extent such obligations are enforceable under the Bankruptcy Code and applicable bankruptcy law.

"CURRENT BALANCE SHEET" has the meaning set forth in Section 5.5.

"DBI" has the meaning set forth in the opening paragraph to this Agreement.

"DBI PLAN" has the meaning set forth in the Plan of Reorganization.

"DBKI" has the meaning set forth in the opening paragraph of this Agreement.

"DBOC" has the meaning set forth in the opening paragraph to this Agreement.

"DEBTOR" and "DEBTORS" has the meaning set forth in the opening paragraph to this Agreement.

"DEBTORS' KNOWLEDGE" means the actual knowledge, after reasonable investigation, of any executive officer or facility manager of the Debtors.

"DEBTORS' REPRESENTATIONS" means those representations and warranties of the Debtors in Article V hereof.

"DEPOSIT" means the $1,000,000 in earnest money deposited by the Buyer pursuant to the Earnest Money Deposit Agreement.

"DIP ADMINISTRATIVE AGENT" means Wells Fargo Bank, National Association with respect to that certain DIP Loan Agreement.

"DIP LENDERS" means the syndicate of banks and other financial institutions which are parties to the DIP Loan Agreement.

"DIP LOAN AGREEMENT" means the credit agreement dated June 1, 2001, providing up to $92,250,000, and entered into by the Debtors, the DIP Lenders and the DIP Administrative Agent, which credit agreement was approved by order of the Bankruptcy Court entered on July 13, 2001.

"EARNEST MONEY DEPOSIT AGREEMENT" means that certain deposit letter from the Buyer addressed and delivered to the Debtors in accordance with the Scheduling Order.

"EMPLOYEE BENEFIT PLAN" means any: (i) non-qualified deferred compensation or retirement plan or arrangement which is an Employee Pension Benefit Plan; (ii) qualified defined contribution retirement plan or arrangement which is an Employee Pension Benefit Plan; (iii) qualified defined benefit retirement plan or arrangement which is an Employee Pension Benefit Plan (including any Multiemployer Plan); (iv) Employee Welfare Benefit Plan, material fringe benefit plan, severance or change of control benefit or other executive compensation or benefit; (v) equity-based plan or arrangement, including any stock option plan, stock purchase plan, stock appreciation rights or phantom stock plan; (vi) bonus plan or arrangement or incentive award plan or arrangement; (vii) consulting agreement or employment agreement; or (viii) vacation policy.

"EMPLOYEE PENSION BENEFIT PLAN" has the meaning set forth in ERISA ss.3(2).

"EMPLOYEE WELFARE BENEFIT PLAN" has the meaning set forth in ERISA ss.3(1).

"ENVIRONMENT" has the meaning set forth in CERCLA.

"ENVIRONMENTAL LAWS" means all federal, state, local and foreign statutes, regulations, ordinances and other provisions having the force or effect of law, all judicial and administrative orders and determinations, all contractual obligations and all common law, in each case concerning public health and safety, worker health and safety, pollution or protection of the environment, including without limitation all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, Release, threatened Release, control, or cleanup of any Hazardous Substances (including without limitation CERCLA and analogous state laws), each as amended or in effect prior to, on or after the Closing.

"EQUIPMENT" means all machinery, equipment, vehicles, furniture, furnishings, fixtures, operating equipment, supplies and tools, computer hardware and all parts, spares and accessories thereof and ascensions thereto.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA AFFILIATE" means any trade or business (irrespective of whether incorporated) which is a member of a group of which any of the Debtors is a member and thereafter treated as a single employer under ss.414(b), (c), (m) or (o) of the Code or applicable Treasury Regulations.

"EXCLUDED ASSETS" has the meaning set forth in Section 2.3 hereof.

"EXCLUDED CONTRACTS" has the meaning set forth in Section 2.3.3 hereof.

"EXCLUDED ENVIRONMENTAL LIABILITIES" means any Liability or investigatory, corrective, removal or remedial obligation, whenever arising or occurring, arising under Environmental Laws with respect to the Debtors, the Acquired Assets, the Owned Real Property, the Leased Facilities, or any properties or facilities currently or formerly owned, operated or occupied by the Debtors (including without limitation any arising from the on-site or off-site Release, threatened Release, treatment, storage, disposal, or arrangement for disposal of Hazardous Substances) whether or not constituting a breach of any representation or warranty herein and whether or not set forth on any disclosure schedule hereto, except where the facts or circumstances underlying any such Liability or obligation were solely caused by the operation of the Acquired Assets after the Closing Date.

"EXCLUDED REAL PROPERTY" has the meaning set forth on Schedule 2.3.5 (Excluded Assets).

"EXHIBITS" means the exhibits hereto.

"FACILITY LEASES" means all leases, subleases, licenses, concessions and other agreements (written or oral), pursuant to which any Debtor holds a leasehold or subleasehold estate in, or is granted the right to use or occupy, any land, buildings, structures, improvements, fixtures or other interest in real property which is used or intended to be used in, or otherwise related to, the Acquired Product Lines.'

"FAIR MARKET VALUE" of each share of the Buyer's Common Stock means, as of the date of issuance, the average of the closing prices of the sales of the Buyer's Common Stock on all securities exchanges on which the Buyer's Common Stock may at the time be listed, or, if there have been no sales on any such exchange on any day, the average of the highest bid and lowest asked prices on all such exchanges at the end of such day, or, if on any day the Buyer's Common Stock is not so listed, the average of the representative bid and asked prices quoted in the NASDAQ System as of 4:00 P.M., New York time, or, if on any day the Buyer's Common Stock is not quoted in the NASDAQ System, the average of the highest bid and lowest asked prices on such day in the domestic over-the-counter market as reported by the National Quotation Bureau Incorporated, or any similar successor organization, in each such case averaged over a period consisting of the twenty (20) consecutive Business Days immediately preceding the fifth Business Day preceding the date of issuance.

"FINAL ORDER" means any order which has been entered by the Bankruptcy Court or any other court of competent jurisdiction that has not been reversed or stayed, is no longer

subject to appeal, certiorari proceeding or other proceeding for review, reargument, or rehearing, and as to which no appeal, certiorari proceeding, or other proceeding for review, reargument, or rehearing has been requested or is then pending and the time to file any such appeal, certiorari proceeding or other proceeding for review, reargument, or rehearing has expired or as to which any right to appeal, petition for certiorari, reargue, or seek rehearing shall have been waived in writing in form and substance satisfactory to the Debtors and the Buyer.

"FORSTER" has the meaning set forth in the opening paragraph of this Agreement.

"GAAP" means, at a given time, United States generally accepted accounting principles, consistently applied.

"GOVERNMENTAL AUTHORITY" means any government of any nation, state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and includes the Bankruptcy Court.

"HART-SCOTT-RODINO ACT" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.

"HAZARDOUS SUBSTANCES" means any pollutants, contaminants or chemicals, and any industrial, toxic or otherwise hazardous materials, substances or wastes with respect to which liability or standards of conduct are imposed under any Environmental Laws, including, without limitation, petroleum and petroleum-related substances, and asbestos.

"INDEBTEDNESS" with respect to any Person means any obligation of such Person for borrowed money, and in any event shall include (i) any Liability incurred for all or any part of the purchase price of property or other assets or for the cost of property or other assets constructed or of improvements thereto, other than accounts payable included in current liabilities and incurred in respect of property purchased in the Ordinary Course of Business, (ii) the face amount of all letters of credit issued for the account of such Person, (iii) Liabilities (whether or not such Person has assumed or become liable for the payment of such obligation) secured by Liens, (iv) all guarantees and similar Liabilities of such Person, (v) all accrued interest, fees and charges in respect of any Indebtedness and (vi) all prepayment premiums and penalties, and any other fees, expenses, indemnities and other amounts payable as a result of the prepayment or discharge of any Indebtedness.

"INTELLECTUAL PROPERTY" means all of the following as they exist in any jurisdictions throughout the world, in each case, to the extent owned by, licensed to, or otherwise used or held for use by any of the Debtors:

(i) patents, pending patent applications, industrial rights and the inventions, designs and improvements described and claimed therein, patentable inventions, and other patent rights (including any divisionals, continuations, continuations-in-part, renewals, substitutions or reissues thereof, whether or not patents are issued on any such applications and whether or not any such applications are amended, modified, withdrawn or refilled);

(ii) Trademarks;

(iii) Copyrights;

(iv) Trade Secrets;

(v) all web sites and web pages and related rights and items; and

(vi) Software.

"INVENTORY" means all inventory held by any Debtor for sale in the Ordinary Course of Business and all raw materials, work-in-process, semi-finished or finished products and similar items with respect to such inventory, in each case wherever the same may be located.

"IP LICENSE(S)" means all permits, licenses, sublicenses and other agreements or permissions under which any Debtor is a licensee or otherwise authorized to use or practice, or under which any Debtor is a licensor of, any Intellectual Property.

"LAW" means any law, rule, regulation, order, decree or other requirement having the force of law and, where applicable, any interpretation thereof by any authority having jurisdiction with respect thereto or charged with the administration thereof.

"LEASED FACILITIES" means the real property leased or subleased by the Debtors pursuant to the Facility Leases.

"LETTER OF CREDIT" has the meaning set forth in the Plan of Reorganization, provided that the Letter of Credit shall be issued by Bank of America.

"LIABILITY" means any obligation or liability (in each case, whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due and regardless of when asserted), including, without limitation, any obligation or liability for Taxes.

"LICENSED IP" means Intellectual Property that is the subject of an IP License.

"LIEN" means an indenture, as defined in ss.101(28) of the Bankruptcy Code; a judicial lien, as defined in ss.101(36) of the Bankruptcy Code; a lien, as defined in ss.101(37) of the Bankruptcy Code; a security interest, as defined in ss.101(51) of the Bankruptcy Code; a statutory lien, as defined in ss.101(53) of the Bankruptcy Code; and any other any mortgage, deed of trust, security agreement, pledge, hypothecation, assignment, deposit arrangement, lien (statutory or otherwise), security interest, financing statement or preferential arrangement of any kind or nature whatsoever, including any conditional sale or other title retention agreement.

"MATERIAL ADVERSE CHANGE" or "MATERIAL ADVERSE EFFECT" means, any event, change, condition or matter that individually or in the aggregate results in or would reasonably be expected to result in a material adverse effect or change in the results of operations or condition (financial or otherwise) of the Debtors, the Acquired Product Lines or the Acquired Assets.

"MATERIAL CUSTOMERS" has the meaning set forth in Section 5.23.

"MATERIAL SUPPLIERS" has the meaning set forth in Section 5.23.

"MULTIEMPLOYER PLAN" means a "multiemployer plan" as defined in ss.3(37) and ss.4001(a)(3)(A) of ERISA.

"NOTICE" means any summons, citation, directive, order, claim, litigation, proceeding, judgment, letter or other communication, written or oral, actual or threatened, from a Governmental Authority including any lien imposed pursuant to any Environmental Law on property owned, leased, occupied or used by the Debtors or any predecessor or former Affiliates thereof .

"OPTIONS" means options, warrants, rights of first refusal, purchase rights, sale rights, subscription rights, puts, calls, conversion rights, exchange rights or similar Contractual Obligations.

"ORDER" means any decree, order, injunction, rule, judgment, consent of or by any court or governmental authority.

"ORDINARY COURSE OF BUSINESS" means the production and distribution of the Acquired Product Lines by the Debtors in the usual and ordinary course consistent with past practice and custom.

"OWNED REAL PROPERTY" means all land and all buildings, structures, fixtures and other improvements located thereon, and all easements, rights of way, servitudes, tenements, hereditaments, appurtenances, privileges and other rights with respect thereto owned by the Debtors.

"PARTY" means a Person named as entering into this Agreement.

"PERMIT" means all approvals, authorizations, consents, licenses, franchises, orders, registrations, certificates, variances, permits and similar rights, in each case obtained from or issued by any Governmental Authority.

"PERMITTED LIENS" means (i) statutory liens for current property Taxes and assessments not yet due and payable, including, without limitation, liens for ad valorem Taxes and statutory liens not yet due and payable arising other than by reason of any default on the part of the Debtors, and (ii) easements, covenants, conditions, restrictions and other similar matters of record on real property, leasehold estates or personalty that do not in any material respect detract from the value of the property subject thereto thereof and do not individually or in the aggregate in any material respect interfere with the present use of the property subject thereto with respect to the Acquired Product Lines.

"PERSON" means any natural person, corporation, limited partnership, general partnership, joint venture, association, company, trust, joint stock company, bank, trust company, land trust, vehicle trust, business trust, real estate investment trust, estate, limited liability company, limited liability partnership, limited liability limited partnership or other organization irrespective of whether it is a legal entity, and any Governmental Authority.

"PLAN OF REORGANIZATION" means the Plan of Reorganization Sponsored by Jarden Corporation in substantially the form attached hereto as Exhibit A.

"PROCEEDING" has the meaning set forth in Section 2.4.10 hereof.

"PURCHASE PRICE" has the meaning set forth in Section 3.1 hereof.

"REGULATION" means any law, statute, regulation, ruling, rule or Order of, administered or enforced by or on behalf of, any court or governmental authority.

"REHIRED EMPLOYEES" has the meaning set forth in Section 7.5.2 hereof.

"RELEASE" has the meaning set forth in CERCLA.

"REORGANIZATION CASES" has the meaning set forth in Recital B.

"RESPONSIBLE OFFICER" means: (i) in the case of a corporation, a president, a chief executive officer, a chief financial officer, a vice president or a treasurer of such corporation; (ii) in the case of a partnership, a general partner therein; or (iii) in the case of a limited liability company, a manager or managing member of such entity.

"RULE" or "RULES" means the Federal Rules of Bankruptcy Procedure.

"SCHEDULES" means the schedules attached hereto.

"SCHEDULING ORDER" means the Bankruptcy Court's Scheduling Order Establishing (I) Procedures with Respect to Filing of Amended Proposed Plans of Reorganization and (II) Hearing Date to Consider Proposed Plans of Reorganization dated as of October 30, 2002.

"SOFTWARE" means computer software programs and software systems, including, without limitation, all databases, compilations, tool sets, compilers, higher level or "proprietary" languages, and all related material documentation and information, whether in source code, object code or human readable form.

"SOLICITATION DATE" means the date on which the Debtors distribute the Plan of Reorganization to its creditors for the solicitation of such creditors' approval of the Plan of Reorganization.

"STOCK" means shares of capital stock (including common and preferred stock) or other equity interests (regardless of how designated) of or in a corporation or comparable entity (including a partnership, joint venture or limited liability company), whether voting or nonvoting, or general or limited.

"STOCK EQUIVALENTS" means all securities convertible into or exercisable or exchangeable for Stock and all Options to purchase or subscribe for Stock, whether or not presently convertible, exercisable or exchangeable.

"SUBSIDIARIES" means, with respect to any Person, any corporation a majority of the total voting power of shares of stock of which is entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or any partnership, limited liability company, association or other business entity a majority of the partnership or other similar ownership interest of which is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For purposes of this definition, a Person is deemed to have a majority ownership interest in a partnership, limited liability company, association or other business entity if such Person is allocated a majority of the gains or losses of such partnership, limited liability company, association or other business entity or is or controls the managing director or general partner of such partnership, limited liability company, association or other business entity.

"SURVEYS" has the meaning set forth in Section 4.3.10.

"TAX" and, with correlative meaning, "TAXES" mean with respect to any Person (i) all federal, state, local, county, foreign and other taxes, assessments or other government charges, including, without limitation, any income, alternative or add-on minimum tax, estimated gross income, gross receipts, sales, use, ad valorem, value added, transfer, capital stock franchise, profits, license, registration, recording, documentary, intangibles, conveyancing, gains, withholding, payroll, employment, social security (or similar), unemployment, disability, excise, severance, stamp, occupation, premium, property (real and personal), environmental or windfall profit tax, custom duty or other tax, governmental fee or other like assessment, charge, or tax of any kind whatsoever, together with any interest, penalty, addition to tax or additional amount imposed by any Governmental Authority responsible for the imposition of any such tax (domestic or foreign) whether such Tax is disputed or not, or (ii) liability for the payment of any amounts of the type described in clause (a) above relating to any other Person as a result of being party to any agreement to indemnify such other Person, being a successor or transferee of such other Person, or being a member of the same Affiliated Group or any consolidated, combined, unitary or other group with such other Person.

"TAX RETURN" means any report, return, declaration, report, claim for refund or information return or statement relating to Taxes, including any schedule or attachment thereto.

"THIRD PARTY" means any Person other than Debtors, the Buyer or any of their respective Affiliates.

"TITLE COMMITMENTS" has the meaning set forth in Section 4.3.9.

"TITLE INSURER" has the meaning set forth in Section 4.3.9.

"TITLE POLICIES" has the meaning set forth in Section 4.3.9.

"TRADEMARKS" means trademarks, service marks, trade dress, trade names, brand names, domain names, designs, logos or corporate names and all translations, adaptations, derivations and combinations of the foregoing including, in each case, the goodwill associated therewith, whether registered or unregistered, and all registrations and applications for

registration thereof, which shall include, without limitation, "Diamond Brands" and "Forster" or any derivation thereof.

"TRADE SECRETS" means trade secrets, confidential business information and other proprietary information including, without limitation, designs, research and development information, technical information, specifications, operating and maintenance manuals, methods, engineering drawings, know-how, data, mask works, discoveries, inventions, industrial designs and other proprietary rights (whether or not patentable or subject to copyright, mask work, or trade secret protection).

"TRANSITION PERIOD" has the meaning set forth in Section 8.6 hereof.

"TREASURY REGULATION" means those regulations promulgated by the United States Department of the Treasury pursuant to the authority of the Code or any other revenue law of the United States of America.

"UNASSUMED LIABILITIES" has the meaning set forth in Section 2.4 hereof.

"WARN ACT" means the Worker Adjustment and Retraining Notification Act, as amended, and any similar foreign, state or local law, regulation or ordinance.

1.2 RULES OF CONSTRUCTION. Unless the context of this Agreement clearly requires otherwise: (i) references to the plural include the singular and vice versa; (ii) references to any Person include such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement; (iii) references to one gender include all genders; (iv) "including" is not limiting; (v) "or" has the inclusive meaning represented by the phrase "and/or"; (vi) the words "hereof," "herein," "hereby," "hereunder" and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement; (vii) section, clause, Exhibit and Schedule references are to this Agreement unless otherwise specified; (viii) reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; and (ix) general or specific references to any Law mean such Law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises regarding this Agreement, this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

ARTICLE II
PURCHASE AND SALE; ASSUMPTION OF CERTAIN LIABILITIES

2.1 PURCHASE AND SALE OF ASSETS.

2.1.1 Subject to the terms and conditions set forth in this Agreement, at the Closing, the Debtors shall sell, contribute, convey, assign, transfer and deliver to the Asset Buyer (or, if there is more than one Asset Buyer, then to such Asset Buyer designated by the Buyer), free and clear of all Liens (other than Permitted Liens), and the Asset Buyer(s) shall purchase,

acquire and take assignment and delivery of, for the consideration set forth in Section 3.1, all properties, assets, rights, titles and interests of every kind and nature, owned or leased by the Debtors (including indirect and other forms of beneficial ownership) as of the Closing Date, which are used in, useful for or otherwise associated with the Acquired Product Lines, whether tangible or intangible, real or personal and wherever located and by whomever possessed, including, without limitation, all of the following assets but excluding Excluded Assets pursuant to Section 2.3 (all of the assets to be sold, assigned, transferred and delivered to the Buyer hereunder referred to herein collectively as the "ACQUIRED ASSETS"):

2.1.1.1 all marketable securities and other short-term investments, deposits and advances, prepaid and other current assets relating to the Acquired Product Lines, including, without limitation, all cash (including, without limitation, checking account balances, certificates of deposit and other time deposits and petty cash);

2.1.1.2 all Accounts Receivables (whether current or noncurrent) and all causes of action specifically pertaining to the collection of all Accounts Receivable;

2.1.1.3 all promotional allowances and vendor rebates and similar items;

2.1.1.4 all Intellectual Property, along with all income, royalties, damages and payments due or payable to the Debtors as of the Closing or thereafter, including, without limitation, damages and payments for past, present or future infringements or misappropriations thereof, the right to sue and recover for past infringements or misappropriations thereof and any and all corresponding rights that, now or hereafter, may be secured throughout the world and all copies and tangible embodiments of any such Intellectual Property in the Debtors' possession or control;

2.1.1.5 all of the Debtors' rights under the Assumed Contracts;

2.1.1.6 all bank accounts, safety deposit boxes, lock boxes and the like and a list of the foregoing shall be set forth on Schedule 2.1.1.6 attached hereto;

2.1.1.7 all Assumed Owned Real Property;

2.1.1.8 all Assumed Facilities and all plants, buildings and other improvements located on such property, and all easements, licenses, rights of way, Permits and all appurtenances to the real property leases which are Assumed Contracts including, without limitation, all appurtenant rights in and to public streets, whether or not vacated;

2.1.1.9 all leasehold improvements and all Equipment owned by the Debtors with respect to the Acquired Product Lines, wherever located, including, without limitation, all such items which are located in any building, warehouse, office or other space leased, owned or occupied by the Debtors;

2.1.1.10 all Inventories, replacement and spare parts, packaging materials, operating supplies, and fuels, owned by the Debtors with respect to the Acquired Product Lines, wherever located;

2.1.1.11 all office supplies, production supplies, spare parts, other miscellaneous supplies, and other tangible property of any kind relating to the Acquired Product Lines, wherever located, including, without limitation, all property of any kind located in any building, office or other space leased, owned or occupied by the Debtors or in any warehouse where any of the Debtors' properties and assets may be situated;

2.1.1.12 except as set forth in Section 2.3.1, all claims, deposits, prepayments, warranties, guarantees, refunds, causes of action, rights of recovery, rights of set-off and rights of recoupment of every kind and nature (whether or not known or unknown or contingent or non-contingent), other than those relating exclusively to Excluded Assets;

2.1.1.13 the right to receive and retain mail, Accounts Receivable payments and other communications relating to the Acquired Product Lines;

2.1.1.14 the right to bill and receive payment for products shipped or delivered and services performed but unbilled or unpaid as of the Closing;

2.1.1.15 all Books and Records (excluding the originals of the minute books, stock books and all Tax Returns of any Debtor);

2.1.1.16 all advertising, marketing and promotional materials and all other printed or written materials;

2.1.1.17 all Permits and the rights to all data and records held by the Governmental Authorities issuing or otherwise authorizing such Permits;

2.1.1.18 all goodwill as a going concern and all other intangible properties;

2.1.1.19 all telephone numbers used by the Debtors with respect to the Acquired Product Lines;

2.1.1.20 all rights to indemnification relating to the Acquired Assets or the Acquired Product Lines existing prior to the Closing Date;

2.1.1.21 all rights under insurance policies to the extent related to or payable in connection with any of the Acquired Assets, the Assumed Obligations, Assumed Facilities, or the Assumed Owned Real Property existing prior to the Closing Date;

2.1.1.22 the Employee Benefit Plans set forth on Schedule 2.1.1.22 (the "ASSUMED PLANS"); and

2.1.1.23 all security deposits relating to Assumed Contracts.

2.1.2 At the Closing, all of the Acquired Assets shall be sold, assigned, transferred, conveyed and delivered to the applicable Asset Buyer free and clear of all Liens (other than Permitted Liens) in accordance with the terms of the Plan of Reorganization and the Confirmation Order and sections 363(f) and 365 of the Bankruptcy Code.

2.2 ASSIGNMENT AND ASSUMPTION OF CERTAIN LIABILITIES.

2.2.1 Subject to the terms and conditions set forth in this Agreement, at the Closing, the Asset Buyer(s) shall assume from the Debtors and thereafter be responsible for the payment and/or performance of, in accordance with their terms, only the following liabilities and obligations of the Debtors (collectively, the "Assumed Obligations"): (i) obligations under the Assumed Contracts first arising after the Closing, (ii) the "Pay to Stay Bonus" and "Performance Bonus" payments under the Debtors' Key Employee Retention Program in an amount not to exceed $1,200,000, (iii) obligations associated with the Assumed Plans, (iv) obligations with respect to any unused vacation or sick leave earned and accrued (to the extent not paid) by the Rehired Employees as of the Closing Date; (v) obligations with respect to Rehired Employees' wages and salary earned and accrued (to the extent not paid) as of the Closing Date and (vi) the Liabilities set forth on Schedule 2.2.1(vi) attached hereto; provided, that this Section 2.2.1 shall not limit any claims or defenses the Buyer or any Asset Buyer may have in respect of the Assumed Obligations against any Person other than the Debtors. The Debtors hereby acknowledge and agree that neither the Buyer nor any Asset Buyer is assuming from the Debtors, or is in any way responsible for, any of the Unassumed Liabilities.

2.2.2 The transactions contemplated by this Agreement shall in no way expand the rights or remedies of any Third Party against the Buyer, any Asset Buyer or the Debtors as compared to the rights and remedies which such Third Party would have had against the Debtors absent the Reorganization Cases, had the Buyer or the Asset Buyer(s) not assumed such Assumed Obligations.

2.3 EXCLUDED ASSETS. Notwithstanding anything to the contrary in this Agreement, the following assets of the Debtors shall be retained by the Debtors and are not being sold or assigned to the Buyer hereunder (collectively, the "EXCLUDED ASSETS"):

2.3.1 any and all rights of the Debtors under this Agreement (including all cash and non-cash consideration payable or deliverable to Debtors) and avoidance claims or causes of action arising under the Bankruptcy Code or applicable state law, including, without limitation, all rights and avoidance claims of Debtors arising under chapter 5 of the Bankruptcy Code;

2.3.2 all Owned Real Property other than the Assumed Owned Real Property;

2.3.3 all Leased Facilities other than the Assumed Facilities;

2.3.4 all Contractual Obligations to which any Debtor is a party or by which any Debtor is bound which are not Assumed Contracts (collectively, the "EXCLUDED CONTRACTS");

2.3.5 all of the assets set forth on Schedule 2.3.5 attached hereto; provided that the Buyer may amend Schedule 2.3.5 at any time on or before one (1) day prior to the Closing Date in order to exclude from the definition of Acquired Asset any Licensed IP the Debtors use of which is not in compliance with the terms and conditions of any applicable IP License;

2.3.6 income Tax Returns and related materials;

2.3.7 all Tax refunds, rebates, credits and similar items relating to any period, or portion of any period, on or prior to the Closing Date; and

2.3.8 the equity securities of any Debtor.

2.4 NO OTHER LIABILITIES ASSUMED. Each Debtor acknowledges and agrees that pursuant to the terms and provisions of this Agreement, neither the Buyer nor any Asset Buyer shall assume, and shall not be deemed to have assumed, any Claim against, or any debt or other Liability of, any Debtor or any of the Debtors' respective Affiliates whatsoever (other than the Assumed Obligations), including, without limitation, the following (collectively, the "UNASSUMED LIABILITIES"):

2.4.1 except as specifically assumed under Section 2.2, any Liability of, or Claim against, any of the Debtors or any predecessor(s) or Affiliates of any of the Debtors that arose prior to, during or in connection with the Reorganization Cases;

2.4.2 any Liability of, or Claim against, any of the Debtors or any predecessor(s) or Affiliate(s) of the Debtors that relate to any of the Excluded Assets (including any amounts relating to the rejection of Excluded Contracts);

2.4.3 any Cure Amounts with respect to the Assumed Contracts in excess of in the amount of such Cure Amounts set forth on Schedule 2.1.1.5 as of the Solicitation Date;

2.4.4 Excluded Environmental Liabilities (whether or not constituting a "Liability of any Debtor or any of the Debtors' Affiliates" for the purposes of the preamble to this Section 2.4));

2.4.5 any Liability of, or Claim against, any of the Debtors or any predecessor(s) or Affiliate(s) of any of the Debtors or for which the Debtors or any predecessor(s) or Affiliate(s) of the Debtors could be liable relating to Taxes (including with respect to the Acquired Assets or otherwise) including, without limitation, any Taxes that will arise as a result of the sale of the Acquired Assets or the assumption of the Assumed Obligations pursuant to this Agreement and any deferred Taxes of any nature;

2.4.6 except as specifically assumed under Section 2.2, any Liability of, or Claim against, any of the Debtors for any legal, accounting, investment banking, brokerage or similar fees or expenses incurred by any Debtor in connection with, resulting from or attributable to the transactions contemplated by this Agreement or otherwise;

2.4.7 except as specifically assumed under Section 2.2, all Indebtedness of any Debtor or any predecessor(s) or Affiliate(s) of any Debtor;

2.4.8 all outstanding Stock and Stock Equivalents of the Debtors and any Liabilities and/or Claims in any way related thereto;

2.4.9 except as specifically assumed under Section 2.2, any Liability of, or Claim against, any of the Debtors or any predecessor(s) or Affiliate(s) of the Debtors resulting from, caused by or arising out of, or which relate to, directly or indirectly, the production and

distribution of the Acquired Product Lines or ownership or lease of any properties or assets or any properties or assets (including, without limitation, the Acquired Assets) previously used by the Debtors, or other actions, omissions, including, without limitation, any amounts due or which may become due or owing under the Assumed Contracts with respect to the period prior to Closing (other than any Cure Amounts for which the Buyer may be responsible in accordance with Section 2.6), whether known or unknown on the date hereof;

2.4.10 any Liability of, or Claim against, any of the Debtors or any predecessor(s) or Affiliate(s) of the Debtors resulting from, caused by or arising out of, or which relate to, directly or indirectly, the production or distribution of the Acquired Product Lines anywhere or ownership or lease of any properties or assets or any properties or assets previously used by the Debtors at any time, or other actions, omissions or events occurring prior to the Closing and which (i) constitute, may constitute or are alleged to constitute a tort, breach of contract or violation of any law, rule, regulation, treaty or other similar authority or (ii) relate to any and all Claims, disputes, demands, actions, liabilities, damages, suits in equity or at law, administrative, regulatory or quasi-judicial proceedings, accounts, costs, expenses, setoffs, contributions, attorneys' fees and/or causes of action of whatever kind or character ("PROCEEDING") against the Debtors or any predecessor(s) or Affiliate(s) of the Debtors, whether past, present, future, known or unknown, liquidated or unliquidated, accrued or unaccrued, pending or threatened;

2.4.11 except as specifically assumed under Section 2.2, any Liability of, or Claim against, the Debtors arising out of any Proceeding commenced after the Closing and arising out of, or relating to, any occurrence or event happening prior to the Closing;

2.4.12 except as specifically assumed under Section 2.2, any Liability of, or Claim against, any of the Debtors (whether known or unknown) with respect to the employees or former employees, or both, of any Debtor arising from the production or distribution of the Acquired Product Lines prior to the Closing, including, without limitation, payroll, vacation, sick leave, worker's compensation, unemployment benefits, pension benefits, employee stock option or profit sharing plans, health care plans or benefits, or any other employee plans or benefits or other compensation of any kind to any employee, and obligations of any kind including, without limitation, any Liability pursuant to the WARN Act for any action or inaction prior to the Closing;

2.4.13 except with respect to the Assumed Plans, any Liability of, or Claim against, any of the Debtors arising under any Employee Benefit Plan or any other employee benefit plan, program or arrangement at any time maintained, sponsored or contributed to by any Debtor or any ERISA Affiliate, or with respect to which any of the Debtors or any ERISA Affiliate has any liability;

2.4.14 any Liability of, or Claim against, any of the Debtors on, arising out of or relating to services and/or products of any of the Debtors to the extent provided, manufactured, developed and/or sold prior to the Closing;

2.4.15 any Liability of, or Claim against, any of the Debtors under any Assumed Contract which arises after the Closing but which arises out of or relates to any breach that occurred prior to the Closing;

2.4.16 any Liability of, or Claim against, any of the Debtors under any Excluded Contract;

2.4.17 except as specifically assumed under Section 2.2, any Liability of, or Claim against, any of the Debtors under any employment, severance, retention or termination agreement with any employee, consultant or contractor of Debtors;

2.4.18 any Liability of, or Claim against, any of the Debtors arising out of or relating to any grievance by any Debtor's employees, whether or not the affected employees are Rehired Employees;

2.4.19 any Liability of, or Claim against, any of the Debtors to any shareholder or Affiliate of any Debtor;

2.4.20 any Liability of, or Claim against, any of the Debtors to indemnify, reimburse or advance amounts to any officer, director, employee or agent of any Debtor;

2.4.21 any Liability of, or Claim against, any of the Debtors to distribute to any Debtor's shareholders or otherwise apply all or any part of the consideration received hereunder;

2.4.22 any Liability of, or Claim against, any of the Debtors arising out of or resulting from any Debtor's noncompliance with any Law;

2.4.23 any Liability of, or Claim against, any of the Debtors based upon any of the Debtors' acts or omissions occurring after the Closing; and

2.4.24 any Liability of, or Claim against, any of the Debtors under this Agreement or any other document executed in connection herewith.

The Parties acknowledge and agree that disclosure of any Liability on any Schedule to this Agreement shall not create an Assumed Obligation or other Liability of or Claim against the Buyer or any Asset Buyer, except where such disclosed obligation has been expressly assumed by an Asset Buyer as an Assumed Obligation in accordance with the provisions of Section 2.2 hereof.

2.5 ASSUMPTION OF CERTAIN CONTRACTUAL OBLIGATIONS; EXCLUDED CONTRACTS.

2.5.1 At the Closing, the applicable Debtors shall assume and such Debtors shall assign to the applicable Asset Buyer(s) the Assumed Contracts. The Assumed Contracts shall be identified on Schedule 2.1.1.5 by the date of the Assumed Contract, the other party or parties to the Assumed Contract and the address of such party or parties, and all such information shall be included on an exhibit attached to a motion for the authority to assume and assign the Assumed Contracts which motion shall be filed by the Debtors at the direction of the Buyer. Such exhibit shall also set forth the amounts necessary to cure defaults under each of such Assumed Contracts

as determined by the Debtors based on the Debtors' Books and Records. Until the Solicitation Date, the Buyer, in its sole discretion, by delivery of written notice to the Debtors, shall have the right to (i) add any Contractual Obligation to Schedule 2.1.1.5 and/or (ii) exclude any Contractual Obligation listed on Schedule 2.1.1.5, and the Buyer shall not acquire any rights or assume any Liabilities with respect to any such excluded Contractual Obligation. The Plan of Reorganization shall reflect that the applicable Asset Buyer's promise to perform from and after the Closing under the Assumed Contracts shall be the only adequate assurance of future performance necessary to satisfy the requirements of Section 365 of the Bankruptcy Code in respect of the assignment to the applicable Asset Buyer of such Assumed Contracts.

2.6 DEEMED CONSENTS; CURES. For all purposes of this Agreement (including all representations and warranties of the Debtors contained herein), the Debtors shall be deemed to have obtained all required consents in respect of the assignment of any Assumed Contract or Assumed Lease if, and to the extent that, pursuant to the Plan of Reorganization or other Bankruptcy Court order, the Debtors are authorized to assume and assign Assumed Contracts to the Asset Buyer(s) pursuant to section 365 of the Bankruptcy Code and any applicable Cure Amount has been satisfied. If there exists on the Closing Date any default related to an Assumed Contract which relates to the Acquired Product Lines, the Buyer shall be responsible for Cure Amounts only to the extent such Cure Amounts are set forth on Schedule 2.1.1.5 as of the Solicitation Date as a condition to the assumption and assignment of such Assumed Contract. At the Closing, the Buyer shall provide funds to the Debtors (by wire transfer of immediately available funds) in an amount sufficient to pay all such Cure Amounts not to exceed the aggregate amount of the Cure Amounts set forth on Schedule 2.1.1.5 as of the Solicitation Date for such Assumed Contracts. Immediately upon receipt by the Debtors of such funds, the Debtors shall pay all Cure Amounts for such Assumed Contracts.

ARTICLE III
BASIC TRANSACTION

3.1 PURCHASE PRICE. The aggregate consideration (the "PURCHASE PRICE") to be paid for the Acquired Assets shall be an amount equal to the sum of (i) cash in the amount of (a) $12,950,000 plus (b) the balance, as of the Closing, of the principal amount due under the DIP Loan Agreement, taking into account all payments made in respect of such principal amount by the Debtors through the Closing (collectively the "CASH PURCHASE PRICE") plus (ii) the Additional Consideration (which amount, if requested in writing by the Debtors at least ten (10) Business Days prior to the Closing, shall be secured by a Letter of Credit to be delivered by the Buyer at the Closing). Allowed Administrative Claims (as defined in the Plan of Reorganization) shall be treated in accordance with the terms of the Plan of Reorganization.

3.2 PAYMENT OF THE DEPOSIT AND PURCHASE PRICE.

3.2.1 The Buyer will deposit the Deposit with the Debtors in accordance with the terms of the Earnest Money Deposit Agreement. The Parties hereby agree that it is impossible to determine accurately the amount of damages that the Debtors would suffer if the transactions contemplated hereby were not consummated as a result of a breach of this Agreement by the Buyer. As a result, notwithstanding anything herein to the contrary, if (i) the Buyer materially breaches its obligations under this Agreement (which breach has not been cured

within ten (10) Business Days following receipt by the Buyer from the Debtors of written notice of such breach); and (ii) the Debtors terminate this Agreement in accordance with Section 9.1.4, the Buyer shall be obligated to pay liquidated damages in the amount of the Deposit in accordance with the terms of the Earnest Money Deposit Agreement, and the receipt by the Debtors of the Deposit shall be the Debtors' sole and exclusive remedy as liquidated damages. Accordingly, if liquidated damages are payable hereunder in accordance with the foregoing, the Deposit (together with all interest accrued thereon) shall be released to the Debtors in accordance with the terms of the Earnest Money Deposit Agreement. If this Agreement is terminated for any reason other than under the foregoing circumstances, the Debtors shall upon such termination return to the Buyer the Deposit together with all interest accrued thereon in accordance with the terms of the Earnest Money Deposit Agreement, and neither the Buyer nor the Asset Buyer(s) shall have any further obligation of any kind to any of the Debtors. Upon the consummation of the Closing hereunder, the Deposit (together with all interest accrued thereon) shall be applied by the Debtors against the Cash Purchase Price as set forth in Section 3.2.2 below.

3.2.2 At the Closing, the Buyer shall cause the Asset Buyer(s) to pay by wire transfer of immediately available funds an amount in cash equal to the Cash Purchase Price less the amount of the Deposit (together with all interest accrued thereon). Such payment shall be made to the Debtors to such account as designated by the Debtors in writing to the Buyer, in accordance with the terms of the Plan of Reorganization, no later than two (2) Business Days prior to the Closing Date. No later than six (6) months following the Closing Date, the Buyer shall deliver the Additional Consideration to such Person(s) as designated by the Debtors in writing to the Buyer no later than January 22, 2003; provided that if no such designation is made on or prior to January 22, 2003, the Additional Consideration shall be delivered to the Debtors. If requested in writing by the Debtors no later than ten (10) Business Days prior to the Closing, the Buyer shall deliver to the Debtors a Letter of Credit in an amount equal to the Additional Consideration.

3.3 Allocation of Purchase Price. The Buyer and the Debtors shall allocate the Purchase Price (plus the Assumed Obligations) among the Acquired Assets as set forth on Schedule 3.3 attached hereto (which schedule shall be agreed to by the Parties no later than thirty (30) Business Days after to the Closing), and such Schedule shall be used by the parties in preparing (i) Form 8594, Asset Acquisition Statement, for the Buyer and the Debtors and (ii) all Tax Returns. The Buyer and the Debtors shall each file Form 8594 prepared in accordance with this Section 3.3 with its federal income Tax Return for its tax period which includes the Closing Date. All allocations made pursuant to this Section 3.3 shall be binding upon the parties and upon each of their successors and assigns, and the Parties shall report the transactions contemplated by this Agreement in accordance with such allocations.

ARTICLE IV
CLOSING; CONDITIONS TO CLOSING.

4.1 CLOSING. Upon the terms and subject to the satisfaction of the conditions contained in this Agreement, the closing of the transactions contemplated by this Agreement (the "CLOSING") will take place at 10:00 a.m. Chicago time on February 7, 2003, or, at the Buyer's sole election, as soon as practicable following the Confirmation Date, or at such other date, time

or place which the Parties may mutually agree (the "CLOSING DATE"). The Closing shall occur at the offices of Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois.

4.2 THE DEBTORS' CONDITIONS. All of the obligations of the Debtors hereunder are subject to the satisfaction of every one of the following conditions precedent unless, and only to the extent, waived in writing by DBOC (on behalf of the Debtors):

4.2.1 this Agreement, any documents related hereto and the transactions contemplated hereby (including the Plan of Reorganization) have been approved and authorized to the extent required by the Bankruptcy Code pursuant to an order of the Bankruptcy Court in form and substance reasonably satisfactory to DBOC (on behalf of the Debtors), which order has been entered for at least ten days, has not been modified, reversed or amended in any manner materially adverse to the Debtors and has not been stayed pending a timely commenced appeal, and no order staying the consummation of the transactions contemplated by this Agreement has been entered in connection with any timely commenced appeal or certiorari;

4.2.2 the Confirmation Order has been signed by the Bankruptcy Court and duly entered on the docket for the Reorganization Cases by the Clerk of the Bankruptcy Court in form and substance reasonably acceptable to DBOC (on behalf of the Debtors), has been entered for at least ten days and has not been modified, reversed or amended in any manner materially adverse to the Debtors, and there is no stay in effect with respect to the Confirmation Order and no pleading has been filed seeking such a stay or appeal of the Confirmation Order;

4.2.3 the Buyer's Representations are true and correct in all material respects on and as of the Closing Date with the same force and effect as if made at and as of the Closing Date (without giving effect to any disclosures made by the Buyer after the date hereof) (provided, however, that if any portion of any representation or warranty is already qualified by materiality, for purposes of determining whether this Section 4.2.3 has been satisfied with respect of such portion of such representation or warranty, such portion of such representation or warranty as so qualified must be true and correct in all respects);

4.2.4 the covenants, agreements and undertakings of the Buyer herein have been complied with in all material respects;

4.2.5 the waiting period under the Hart-Scott-Rodino Act, if applicable, has expired or been terminated;

4.2.6 no Controversy is pending or overtly threatened by or before any arbitrator or Governmental Authority which is reasonably likely to enjoin, restrain or prohibit, or result in material damages in respect of, or which is related to or arises out of, this Agreement or the consummation of the transactions contemplated hereby; and

4.2.7 at the Closing, the Buyer and the Asset Buyer(s) have tendered to DBOC (acting on behalf of the Debtors) the following documents, executed in a manner and otherwise in form and substance reasonably satisfactory to DBOC (acting on behalf of the Debtors):

4.2.7.1 a duly executed assumption agreement or other appropriate instruments (including, without limitation, appropriate Intellectual Property assignments in

recordable form to the extent necessary to assign such Intellectual Property rights) assigning the Assumed Obligations to the applicable Asset Buyer;

4.2.7.2 a copy of resolutions duly adopted by the board of directors of the Buyer authorizing the execution and delivery of this Agreement and by the board of directors of the Buyer and the Asset Buyer(s) authorizing the execution and delivery of any other agreement to which it is a party in connection herewith and the consummation of the transactions herein and therein contemplated to be consummated by the Buyer or the Asset Buyer(s), as applicable, duly certified, as of the applicable Closing Date, by a duly authorized agent or officer of the Buyer or the Asset Buyer(s), as applicable; and

4.2.7.3 a certificate, dated as of the Closing Date, of a Responsible Officer of the Buyer to the effect that the Buyer's Representations are true and correct in all material respects on and as of the Closing Date, as though made on and as of the Closing Date (without giving effect to any disclosures made by the Buyer after the date hereof) (provided, however, that if any portion of any representation or warranty is already qualified by materiality, for purposes of determining whether this Section 4.2.7.3 has been satisfied with respect of such portion of such representation or warranty, such portion of such representation or warranty as so qualified must be true and correct in all respects) and that the Buyer has complied in all material respects with its covenants hereunder.

4.3 BUYER'S CONDITIONS. All of the obligations of the Buyer hereunder are subject to the satisfaction of every one of the following conditions precedent as of the Closing unless, and only to the extent, waived in writing by the Buyer:

4.3.1 this Agreement, any documents related hereto and the transactions contemplated hereby have been approved and authorized to the extent required by the Bankruptcy Code pursuant to an Order or Orders of the Bankruptcy Court in form and substance reasonably satisfactory to the Buyer, which Order has not been modified, reversed or amended in any manner adverse to the Buyer and has become a Final Order, and no Order staying the consummation of the transactions contemplated by this Agreement has been entered in connection with any timely commenced appeal or certiorari;

4.3.2 the Confirmation Order has been signed by the Bankruptcy Court and duly entered on the docket for the Reorganization Cases by the Clerk of the Bankruptcy Court in form and substance reasonably satisfactory to the Buyer and has not been modified, reversed or amended in any manner, there is no stay in effect with respect to the Confirmation Order, no pleading has been filed seeking such a stay or appeal of the Confirmation Order and the Confirmation Order is a Final Order; without limiting the generality of the foregoing, the Confirmation Order must provide, among other things, in form and substance reasonably satisfactory to the Buyer, that: (i) the Acquired Assets shall have been sold, contributed, conveyed, assigned, transferred and delivered to the Asset Buyer(s) free and clear of all Liens (other than Permitted Liens); (ii) the transactions contemplated by this Agreement are approved and effected pursuant to the Plan of Reorganization; (iii) the Bankruptcy Court retains exclusive jurisdiction to interpret and enforce the provisions of (1) this Agreement and any related agreements to which the Buyer and the Debtors (as the case may be) are a party and (2) the Confirmation Order in all respects; (iv) neither the Buyer nor the Asset Buyer(s) shall be liable

for any of the Unassumed Liabilities; (v) the Bankruptcy Court approves and authorizes the assumption and assignment of the Assumed Contracts set forth on Schedule 2.1.1.5 as of the Closing and (vi) the provisions of the Confirmation Order are nonseverable and mutually dependent;

4.3.3 all Claims against the Debtors are treated and discharged pursuant to the Plan of Reorganization and the Confirmation Order (other than the Assumed Obligations expressly assumed by the Asset Buyer(s) hereunder);

4.3.4 the Debtors' Representations are true and correct in all material respects on and as of the Closing Date with the same force and effect, as if made at and as of the Closing Date (without giving effect to any disclosures made by the Debtors after the date hereof) (provided, however, that if any portion of any representation or warranty is already qualified by materiality, for purposes of determining whether this Section 4.3.4 has been satisfied with respect of such portion of such representation or warranty, such portion of such representation or warranty as so qualified must be true and correct in all respects);

4.3.5 the covenants, agreements and undertakings of the Debtors herein have been complied with in all material respects;

4.3.6 no Material Adverse Change has occurred since the date hereof, and the Debtors have delivered to the Buyer a certificate, dated as of the Closing Date and signed in its name by a Responsible Officer of each Debtor, confirming the foregoing;

4.3.7 the waiting period under the Hart-Scott-Rodino Act, if applicable, has expired or been terminated;

4.3.8 no Controversy is pending or threatened by or before any arbitrator or Governmental Authority which is reasonably likely to enjoin, restrain or prohibit, or result in material damages in respect of, or which is related to or arises out of, this Agreement or the consummation of the transactions contemplated hereby, or which could reasonably be expected to result in a Material Adverse Change;

4.3.9 the Debtors have obtained, in preparation for the Closing, at their own cost and expense, and have delivered to the Buyer no later than ten (10) days prior to the Closing, a commitment for an ALTA Owners Policy of Title Insurance 1992 Form, for each parcel of Assumed Owned Real Property and each material Assumed Facility identified by the Buyer (the "TITLE COMMITMENTS"), issued by the corporate office of Chicago Title Insurance Company located in Chicago, Illinois (the "TITLE INSURER"), in such amount as the Buyer determines to be the fair market value (including all improvements thereon), insuring the Buyer's or the applicable Asset Buyer's interest, as applicable, in such parcel as of the Closing, subject only to the Permitted Liens. The Debtors shall deliver at the time of delivery of the Title Commitments, copies of all documents of record referred to therein. The Debtors will provide the Buyer with title insurance policies ("TITLE POLICIES") on or before the applicable closing date, from the Title Insurer based upon the Title Commitments. The Debtors will deliver to the Title Insurer all affidavits, GAP undertakings and other title clearance documents necessary to issue the Title Policies and endorsements thereto. Each such Title Policy will be dated as of the Closing Date

and (i) insure fee simple title to the Assumed Owned Real Property or legal, valid, binding and enforceable leasehold interest in each Assumed Facility (as the case may be) and all recorded easements benefiting such parcels, subject only to Permitted Liens, with gap coverage from the Debtors through the date of recording (ii) contain an "extended coverage endorsement" insuring over the general exceptions contained customarily in such policies, (iii) contain an ALTA Zoning Endorsement 3.1, with parking (or equivalent), (iv) contain an endorsement insuring that the parcel described in such Title Policy is the parcel shown on the survey delivered with respect to such parcel and a survey accuracy endorsement, (v) contain an endorsement insuring that each street adjacent to such parcel is a public street and that there is direct and unencumbered pedestrian and vehicular access to such street from such parcel, (vi) if the real estate covered by such policy consists of more than one record parcel, contain a "contiguity" endorsement insuring that all of the record parcels are contiguous to one another, (vii) contain a tax number endorsement and (viii) contain such other endorsements as the Buyer and the Buyer's lender may reasonably request;

4.3.10 the Debtors have procured, at their own cost and expense, in preparation for the Closing, and shall have delivered to the Buyer no later than ten (10) days prior to the Closing Date, current surveys of each of the Assumed Owned Real Property and each material Assumed Facility ("SURVEYS"), prepared by a licensed surveyor, satisfactory to the Buyer, and conforming to 1999 ALTA/ACSM Minimum Detail Requirements for Urban Land Title Surveys, including Table A Items Nos. 1, 2, 3, 4, 6, 7(a), (b)(1) and (c), 8, 9, 10, 11(b)(2), 13, 14, 15 and 16, and such standards as the Title Insurer may require as a condition to the removal of any survey exceptions from the Title Policy, and certified to the Buyer, the Buyer's lenders and the Title Insurer, within twenty-three days of the applicable closing date, in a form satisfactory to such parties. The Surveys shall not disclose any encroachments from or onto any of THE Assumed Owned Real Property or Assumed Facility or any portion thereof or any other such survey defect which has not been cured or insured over to the Buyer's reasonable satisfaction prior to the Closing Date;

4.3.11 subject to Section 2.6 hereof, the Debtors shall have obtained and delivered to the Buyer all material Third Party consents that are required in order to prevent a breach of or default under, a termination or modification of, or acceleration of the terms of, any Assumed Contract, in each case on terms satisfactory to the Buyer;

4.3.12 in the event that the DBI Plan is not confirmed simultaneously with the Plan of Reorganization, the Bankruptcy Court shall have entered no later than the Confirmation Date the Alternative Transactions Order, in form and substance reasonably acceptable to the Buyer and reasonably acceptable to DBI and the Creditors' Committee; and

4.3.13 at the Closing, the applicable Debtor has tendered to the Buyer or the Asset Buyer(s), as applicable, the following documents, executed in a manner and otherwise in form and substance reasonably satisfactory to the Buyer:

4.3.13.1 a duly executed bill or bills of sale and assignment or other appropriate instruments (including, without limitation, appropriate Intellectual Property assignments in recordable form to the extent necessary to assign such Intellectual Property rights), transferring title to and interest in the Acquired Assets to the Asset Buyer(s);

4.3.13.2 a copy of resolutions duly adopted by the board of directors of the Debtors authorizing the execution and delivery of this Agreement and any other agreement executed and delivered by the Debtors in connection herewith and the consummation of the transactions herein and therein contemplated to be consummated by the Debtors, duly certified, as of the Closing Date, by the secretary or any assistant secretary of each Debtor;

4.3.13.3 a certificate, dated as of the Closing Date, of a Responsible Officer of each Debtor to the effect that the Debtors' Representations are true and correct in all material respects on and as of the Closing Date, as though made on and as of the Closing Date (without giving effect to any disclosures made by the Debtors after the date hereof) (provided, however, that if any portion of any representation or warranty is already qualified by materiality, for purposes of determining whether this Section 4.3.14.3 has been satisfied with respect of such portion of such representation or warranty, such portion of such representation or warranty as so qualified must be true and correct in all respects) and that such Debtor has complied in all material respects with its covenants hereunder;

4.3.13.4 a certificate of the Secretary and another officer of each Debtor that contains their certification of the names and signatures of the officers of such Debtor who have been authorized to execute and deliver this Agreement and any other agreement executed and delivered on behalf of such Debtor in connection herewith;

4.3.13.5 physical possession of all of the Acquired Assets capable of passing by delivery with the intent that title in such Acquired Assets shall pass by and upon delivery;

4.3.13.6 an affidavit from each Debtor stating such Debtor's taxpayer identification number and that such Debtor is not a foreign person pursuant to section 1445(b)(2) of the Code;

4.3.13.7 special warranty or limited warranty deeds (as may be applicable) with respect to each Assumed Owned Real Property, in form and substance reasonably satisfactory to Buyer, subject only to the Permitted Liens;

4.3.13.8 certificates of title and title transfer documents to all titled motor vehicles;

4.3.13.9 an assignment and assumption agreement with respect to Permits and warranties in form and substance reasonably acceptable to the Buyer, whereby the Debtors shall assign to the Buyer all of their respective rights in and to any Permits and warranties relating to the Acquired Assets or the Acquired Product Lines, to the extent such Permits and warranties are assignable;

4.3.13.10 all Books and Records (excluding the originals of the minute books, stock books and all Tax Returns of any Debtor); and

4.3.13.11 such other instruments as shall be reasonably requested or required by the Buyer to vest in the Asset Buyer(s) title in and to the Acquired Assets in accordance with the provisions hereof;

4.3.14 all proceedings in connection with the transactions contemplated by this Agreement, and all documents and instruments incident thereto, are reasonably satisfactory in form and substance to the Buyer, and the Buyer has received all such documents and instruments, or copies thereof, certified if requested, as may be reasonably requested;

4.3.15 all consents, licenses, permits, approvals and authorizations of any Third Party necessary for consummation of the transactions contemplated hereby have been obtained or made and copies thereof delivered to the Buyer (other than those consents, licenses, permits, approvals and authorizations which have been provided for in the Confirmation Order); and

4.3.16 the process and proceedings relating to the Reorganization Cases from the date of the filing of the Plan of Reorganization to the date of the confirmation of the Plan of Reorganization are reasonably satisfactory to the Buyer.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE DEBTORS

The Debtors hereby jointly and severally represent and warrant to the Buyer that, with respect to the Acquired Product Lines, the statements contained in this Article V are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Article V.

5.1 ORGANIZATION; AUTHORIZATION. Each Debtor is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation as designated in the first paragraph of this Agreement and, subject to entry of the Confirmation Order, has the requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. Subject to entry of the Confirmation Order, the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action of each Debtor. This Agreement has been duly and validly executed by each Debtor and, subject to the entry of the Confirmation Order, constitutes a legal, valid and binding obligation of each Debtor, enforceable against it in accordance with its terms.

5.2 NO CONFLICT; CONSENTS. Subject to the entry of the Confirmation Order, neither the execution and delivery of this Agreement nor the consummation of any or all of the transactions contemplated hereby will (i) violate the certificate of incorporation or by-laws (or other governing instrument) of any Debtor; (ii) violate, be in conflict with or constitute an enforceable default under, or require the consent of any third party to, any Assumed Contract; or (iii) to the Debtors' knowledge, violate any Laws or Orders applicable to the Acquired Product Lines.

5.3 CONSENTS AND APPROVALS OF GOVERNMENTAL AUTHORITIES. Other than the approval of the Bankruptcy Court and consent under the Hart-Scott-Rodino Act, no consent, approval or authorization of, or declaration, filing or registration with, any Governmental Authority is required in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

5.4 CONTRACTS. Schedule 5.4 sets forth a list of all Contractual Obligations of the Debtors and, to the Debtors' knowledge, sets forth all Cure Amounts as of the date of this Agreement. Each Contractual Obligation is valid, binding and enforceable in accordance with its material terms, and is in full force and effect. Except as set forth on Schedule 5.4 and except for defaults of the type referred to in Section 365(b)(2) of the Bankruptcy Code, there are no material defaults or events that, with notice or lapse of time or both, would constitute a material default) by any Debtor or, to the Debtor's knowledge, any other party under any of the Contractual Obligations.

5.5 FINANCIAL STATEMENTS. The Debtors have delivered to the Buyer the audited consolidated balance sheet, income statement and statement of cash flows of Debtors for the fiscal year ended December 31, 2001, (the "AUDITED Financials") attached as Schedule 5.5 hereto and the interim unaudited balance sheet, income statement and statement of cash flows of Debtors for the fiscal period ended as of the last day of the most recent full month preceding the date of this Agreement attached as Schedule 5.5 hereto (collectively, the "CURRENT BALANCE SHEET"). The Audited Financials fairly and accurately reflect, in all material respects, the financial position of Debtors on a consolidated basis as of the dates thereof, and have been prepared in accordance with GAAP consistently applied during the periods involved, except as indicated in the notes thereto. The Current Balance Sheet fairly and accurately reflects, in all material respects, the financial position of Debtors as of the date thereof, and has been prepared in accordance with GAAP consistently applied during the periods involved, subject to the absence of footnotes and year-end adjustments (which would not be material).

5.6 EQUIPMENT. Set forth on Schedule 5.6 is a complete and correct list of all Equipment as of the last day of the most recent full month preceding the date of this Agreement. Such Equipment is sufficient to produce or distribute the Acquired Product Lines as these were produced or distributed prior to May 22, 2001, and is in good operating condition and repair, subject to normal wear and tear.

5.7 INVENTORY. With respect to the Acquired Product Lines, the amount of Inventory on hand (i) has been manufactured and/or purchased in the Ordinary Course of Business; and (ii) is not obsolete and is of a quality usable and saleable in the Ordinary Course of Business, other than with respect to reserves reflected in the financial statements described in Section 5.5 above that are maintained by Debtors for obsolete or "slow moving" inventory.

5.8 INTELLECTUAL PROPERTY.

5.8.1 Schedule 5.8 sets forth the following items owned or licensed by the Debtors or otherwise used or held for use by the Debtors with respect to the Acquired Product Lines: (i) all U.S. and foreign issued patents and utility patents, and all pending patent applications relating to any inventions, and all reissues, divisions, continuations, continuations-in-part, extensions, reexaminations or interferences of them; (ii) all U.S. and foreign registered trademarks, registered service marks, trademark and service mark applications, unregistered trademarks and service marks, trade names and logos; (iii) all U.S. and foreign registered copyrights and copyright applications and all renewals and extensions; (iv) a general identification of all logos and domain name addresses; and (v) material Software (other than

commercially available off-the-shelf software purchased or licensed for less than a total cost of $1,000 in the aggregate).

5.8.2 Schedule 5.8 sets forth all IP Licenses granted by or to any Debtor and all other agreements to which any Debtor is a party, which create rights in such Debtor or in any Third Party regarding any Intellectual Property specifically or other intellectual property generally. The IP Licenses are binding against such Debtor and in full force and effect. The continued use by the Buyer (or the Asset Buyer(s) as applicable) of any IP License or Licensed IP is not restricted by any IP License.

5.8.3 Except as set forth on Schedule 5.8, the Debtors are the owners, free and clear of all liens, claims and encumbrances (except Permitted Liens and liens under the DIP Loan Agreement which will be terminated as of the Closing), of all right, title and interest in or have a valid and enforceable license to use, all Intellectual Property necessary for the production and distribution of the Acquired Product Lines, as presently conducted or as presently proposed to be conducted, and the Debtors have the absolute right to use and assign those rights without seeking the approval or consent of any Third Party and without payments to any Third Party. All registrations and applications for the Intellectual Property are in full force and effect. There are no existing or, to Debtors' knowledge, threatened claims or proceedings by any Person and there is no basis for any claim or proceeding relating to the use by the Debtors of the Intellectual Property or challenging its ownership of the same. Except as set forth on Schedule 5.8, to the Debtors' knowledge, no Third Party has infringed, misappropriated, or otherwise conflicted with any of the Debtors' Intellectual Property and to the Debtors' knowledge, there are no facts that indicate a likelihood of any of the foregoing.

5.8.4 To the Debtors' knowledge, no Debtor has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any intellectual property rights of third parties, and, except as set forth on Schedule 5.8, no Debtor has received any charge, complaint, claim, or notice alleging any such interference, infringement, misappropriation or violation and there is no basis for any such claim.

5.8.5 The Debtors have taken Commercially Reasonable Efforts to maintain the confidentiality of their Trade Secrets.

5.8.6 Each present or past employee, officer, consultant or any other person who developed any part of the Intellectual Property has vested in a Debtor any and all right, title and interest in and to all such Intellectual Property.

5.8.7 All Software owned or licensed by the Debtors for use in connection with the Acquired Product Lines, or necessary for the production or distribution of the Acquired Product Lines as such production or distribution is currently conducted or anticipated to be conducted is set forth in Schedule 5.8.

5.8.8 The execution of this Agreement will not result in the loss or impairment of the rights of the Buyer or the Asset Buyer(s) to own or use any of the Intellectual Property.

5.8.9 The Debtors' products relating to the Acquired Product Lines have been marked as required by the applicable patent statute and the Debtors have given the public notice

of its Copyrights and notice of its Trademarks as required by the applicable Trademark and Copyright statutes.

5.9 COMPLIANCE WITH LAWS. Except as set forth on Schedule 5.9, (i) the production and distribution of the Acquired Product Lines have been conducted in all material respects in accordance with all applicable Laws (including all Environmental Laws) of all Governmental Authorities having jurisdiction over Debtors and applicable to the Acquired Assets and (ii) no Debtor has received any notification of any asserted present or past failure by any Debtor to comply with any such Laws during the past three (3) years which apply to the Acquired Product Lines or the Acquired Assets.

5.10 BOOKS AND RECORDS. All of the Books and Records of the Debtors have been made available to the Buyer. The Books and Records are complete and correct in all material respects.

5.11 PERMITS. Set forth on Schedule 5.11 is a complete list of all of the Debtors' Permits relating to the Acquired Assets and the Acquired Product Lines. Except as set forth on Schedule 5.11, such Permits (i) are valid and effective, (ii) represent all Permits required by any Governmental Authority with jurisdiction over the Acquired Product Lines or the Acquired Assets to own and operate the Acquired Assets in connection with the Acquired Product Lines in the same manner as operated prior to the date hereof and (iii) may be transferred or reissued to the Buyer or the Asset Buyer, as applicable, without the approval of any Third Party.

5.12 ENVIRONMENTAL MATTERS.

5.12.1 Except as set forth on Schedule 5.12, the Debtors and the Acquired Assets are and have been in material compliance with all applicable Environmental Laws. The Debtors have obtained all Permits and approvals required under applicable Environmental Laws for the ownership and operation of the Acquired Assets, all such Permits and approvals are in effect, the Debtors have not received written Notice of any action to revoke or modify any of such Permits or approvals, and the ownership and operation of the Acquired Assets is and has been in material compliance with all terms and conditions thereof. No Debtor has received written Notice of any pending or threatened claim or investigation by any Governmental Authority or any other Person concerning potential liability of any of the Debtors under Environmental Laws in connection with the ownership or operation of the Acquired Assets. There has not been a Release to the Environment of any Hazardous Substance at, upon, in, from or under (i) any of the Assumed Owned Real Property, Assumed Facilities or other properties upon which any of the Debtor's assets are or were located at any time during the Debtors' ownership thereof or (ii) at any location to or from which a Debtor has transported or arranged for the transportation of Hazardous Substances from an Assumed Facility or the Assumed Owned Real Property. None of the Assumed Facilities nor the Assumed Owned Real Property is currently, and, to the Debtors' knowledge, none of the Assumed Facilities nor the Assumed Owned Real Property has been, used as a treatment, storage or disposal facility for Hazardous Waste, as such term is defined in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. ss. 6901 et. Seq.; and, to the Debtors' knowledge, no Hazardous Substances are present on any Assumed Facility or the Assumed Owned Real Property, except in compliance with all applicable Environmental Laws and as are used in the operation of the Acquired Assets.

5.12.2 The Debtors have delivered to the Buyer all correspondence, test results, records, notices, disclosures and reports in any of the Debtor's possession or control with respect to the Debtors, the Assumed Owned Real Property or any Assumed Facility, including all material correspondence with any Governmental Authority concerning any and all past and/or present health, safety and/or environmental issues or concerns.

5.12.3 Except as set forth on Schedule 5.12, no Debtor has received Notice, or otherwise obtained knowledge, of the existence of any circumstances or conditions that have a reasonable likelihood of resulting in any damages for which it could be liable arising pursuant to any Environmental Law.

5.13 EMPLOYEES; BENEFIT PLANS.

5.13.1 Set forth on Schedule 5.13 is the following: (i) a listing of the names, titles and dates of hire of all of the employees of the Debtors who are not governed by any collective bargaining agreement, (ii) a list of collective bargaining agreements entered into by the Debtors and (iii) a list of all "employee benefit plans" (within the meaning of Section 3(3) of ERISA), whether or not subject to ERISA, in which current or former employees of the Business participate (collectively, the "BENEFIT PLANS"). The annual salaries and bonuses of such employees of the Debtors and a copy of such collective bargaining arrangements and employee benefit plans have been made available to the Buyer on or prior to the date hereof.

5.13.2 Except as set forth on Schedule 5.13, none of the Benefit Plans is, and no Debtor has ever maintained or had an obligation to contribute to, or incurred any other obligation with respect to (i) a plan subject to Title IV of ERISA or Section 412 of the Code or Title I, Subtitle B, Part 3 of ERISA, (ii) a Multiemployer Plan or (iii) a funded welfare benefit plan, as defined in Section 419 of the Code. None of the Debtors has any agreement or commitment to create any additional Benefit Plan, or to modify or change any existing Benefit Plan.

5.13.3 The Debtors have performed and complied with all of their obligations under and with respect to the Benefit Plans in all material respects and each of the Benefit Plans has, at all times, in form, operation and administration complied in all material respects with its terms, and, where applicable, the requirements of the Code, ERISA and all other applicable Laws. Each Benefit Plan which is intended to be "qualified" within the meaning of Section 401(a) of the Code has been determined by the Internal Revenue Services to be so qualified, nothing has occurred which could reasonably be expected to adversely affect such qualified status, and, to the extent required by applicable law, each such Benefit Plan was timely amended and filed with the Internal Revenue Service with respect to the legislation referred to as GUST.

5.13.4 There are no unpaid contributions due prior to the date hereof with respect to any Benefit Plan that are required to have been made under its terms and provisions, any related insurance contract or any applicable Law. There are no trusts or similar funding vehicles, reserve assets, surpluses or prepaid premiums with respect to any Benefit Plan that is a welfare plan.

5.13.5 No Debtor nor any ERISA Affiliate thereof has incurred any liability or taken any action, and the Debtors have no knowledge of any action or event, that could cause

any Debtor or any ERISA Affiliate thereof to incur any liability (i) under Section 412 of the Code or Title IV or ERISA with respect to any "single-employer plan," as defined in Section 4001(a)(15) of ERISA, or (ii) on account of a partial or complete withdrawal, as defined in Section 4203 and 4205 of ERISA, respectively, with respect to any Multiemployer Plan or on account of unpaid contributions to any Multiemployer Plan.

5.13.6 There are no Controversies pending, or to the Debtors' knowledge, threatened that involve any employees employed in connection with the Business. Each Debtor has complied, and is in substantial compliance, in all material respects with all Laws relating to the employment of labor, including, without limitation, any provision thereof relating any provision thereof relating to wages, hours, collective bargaining, employee health, immigration, layoffs, safety and welfare, and the payment of social security and similar taxes. There are presently no unfair labor practice complaints or other material labor controversies pending against any Debtor, union representation questions involving persons employed by the Debtors, or, to the Debtors' knowledge, current activities or proceedings of any labor union (or representative thereof) to organize any unorganized employees of any Debtor or any strikes, slowdowns, work stoppages, lockouts, or threats thereof, by or with respect to any employees of any Debtor.

5.14 ABSENCE OF CERTAIN CHANGES. Except as set forth in Schedule 5.14, since the date of the Current Balance Sheet: (i) there has been no Material Adverse Change; (ii) there has been no damage, destruction or loss to any material asset or property, tangible or intangible, of the Debtors, ordinary wear and tear excepted; (iii) other than in connection with the proposed sale of the Acquired Assets and the Acquired Product Lines, the Business has been conducted only in the Ordinary Course of Business; (iv) no Debtor has increased the compensation of any officer or granted any general salary or benefits increase to their employees other than in the Ordinary Course of Business; (v) the post-Petition liabilities have been paid in the Ordinary Course of Business; and (vi) there has been no material change by the Debtors, in relation to the Acquired Product Lines or in accounting principles, practices or methods.

5.15 LIABILITIES. None of the Debtors has any Liabilities other than (i) Liabilities as set forth in the Current Balance Sheet or referred to in the footnotes to the Audited Financials, (ii) Liabilities set forth in Schedule 5.15 and (iii) Liabilities incurred after the date of the Current Balance Sheet in the Ordinary Course of Business.

5.16 INSURANCE. Schedule 5.16 contains an accurate summary description of all policies of property, fire and casualty, product liability, workers compensation and other forms of insurance owned by or held by any Debtor in connection with the Acquired Assets or the Acquired Product Lines, together with a list of all outstanding claims against any insurer relating to the Acquired Assets or the Acquired Product Lines. Except as set forth on Schedule 5.16, no Debtor has received (a) any notice of cancellation or non-renewal of any policy described in such Schedule 5.16 or refusal of coverage thereunder, (b) any notice that any issuer of such policy has filed for protection under applicable insolvency laws or is otherwise in the process of liquidating or has been liquidated, or (c) any other indication that such policies are no longer in full force or effect or that the issuer of any such policy is no longer willing or able to perform its obligations thereunder.

5.17 TAXES. Except as set forth on Schedule 5.17, all Tax returns, reports and forms of the Debtors due prior to the date hereof with respect to the Acquired Assets or the Acquired Product Lines have been timely filed and properly reflect the tax liability of the Debtors with respect to the applicable periods, and no extension of time with respect to any date on which any Tax return, report or form was or is to be filed with respect to the Debtors is in force. All Taxes and withholding amounts due and payable (or required to be withheld) prior to the date hereof have been paid (or withheld). Except as set forth on Schedule 5.17, no ongoing audit, litigation or similar proceeding concerning any Tax returns of any Debtor has been proposed, threatened, or is in progress nor does there exist any waiver or agreement for the extension of time for the assessment of any Taxes against any Debtor. Except as set forth on Schedule 5.17, there are no Liens on any of the assets of the Debtors that arose in connection with any failure (or alleged failure) to pay any Tax and there are no claims for Taxes, and to Debtors' knowledge, no basis for which any such claims might be made, that might result in any such Liens. Except as set forth on Schedule 5.17, no claim has ever been made by a taxing authority in a jurisdiction where the Debtors do not currently file Tax returns that any Debtor is or may be subject to taxation by such jurisdiction. None of the Acquired Assets is a "tax exempt use property" within the meaning of Section 168(h) of the Code. None of the Acquired Assets is subject to a lease made pursuant to Section 168(f)(8) of the Internal Revenue Code of 1954.

5.18 ACCOUNTS RECEIVABLE. The Accounts Receivable constitute bona fide, valid and collectible claims arising in the Ordinary Course of Business in a manner consistent with the Debtors' normal credit practices and are subject to no set-offs or counterclaims, subject only to reasonable reserves for bad debts calculated in a manner consistent with the Debtors' past practice.

5.19 BROKERS; AGENTS. Except with respect to Jefferies & Company, Inc., the Debtors have not dealt with any agent, finder, broker or other representative in any manner which could result in the Buyer or the Asset Buyer(s) being liable for any fee or commission in the nature of a finder's fee or originator's fee in connection with the subject matter of this Agreement.

5.20 WARRANTY OBLIGATIONS. Schedule 5.20 contains a true and complete description of the Debtors' experience over the past three years with respect to product warranty obligations, pricing and other accommodations with respect to the Acquired Product Lines. To the best of Debtors' knowledge, as of November 1, 2002, sufficient reserves were maintained on the books of the Debtors to cover the Debtors' product warranty obligations. Over the past three years, the Debtors have had no product recall obligations.

5.21 REAL PROPERTY. Attached hereto as Schedule 5.21 is a description of all Assumed Owned Real Property and the Assumed Facilities. True and complete copies of all owners policies of title insurance obtained for the benefit of any of the Debtors have been delivered to the Buyer. The Debtors own good and marketable fee title to the Assumed Owned Real Property. At the Closing, such title shall be free and clear of all Liens other than Permitted Liens. Except as set forth in Schedule 5.21, the Assumed Owned Real Property and the Assumed Facilities constitute all of the real property used by any of the Debtors in connection with the Acquired Assets or the Acquired Product Lines. Each parcel included in the Assumed Owned Real Property constitutes a separate tax lot. There is no pending or, to the Debtors'

knowledge, threatened condemnation (or sale in lieu thereof) affecting the Assumed Owned Real Property.

5.22 LITIGATION. Except as set forth on Schedule 5.22 or claims made in connection with the Reorganization Cases, there are no actions, claims, charges, complaints, material grievances, causes of action, proceedings, suits or investigations pending or, to the Debtors' knowledge, threatened, against the Debtors or any of their respective assets, properties or rights, before (or that could come before) any Governmental Authority or arbitrator that would result in a Material Adverse Change. Except in connection with the Reorganization Cases, none of Debtors is subject to any Order entered in any lawsuit or proceeding.

5.23 TRADE RELATIONS. On or prior to the date hereof, the Debtors have delivered to the Buyer a list of each of the Debtors' ten largest customers (the "MATERIAL CUSTOMERS") and ten largest suppliers (the "MATERIAL SUPPLIERS"), as determined by the dollar amount of sales to such customers and purchases from such suppliers for the year ending December 31, 2001. Except as set forth on Schedule 5.23, there exists no actual or, to the Debtors' knowledge, threatened, cancellation of, or (except for the tightening of credit terms as a result of Reorganization Cases) any material adverse modification to or change in, the business relationship of the Debtors with any Material Customer or Material Supplier.

5.24 SUBSIDIARIES. Schedule 5.24 sets forth the name and jurisdiction of incorporation of each Subsidiary of the Debtors, the number of shares of each class of each of the Debtors' Subsidiary's Stock (both authorized, issued and outstanding), the names of the holders of each such issued share of Stock and the number of shares held by each such holder, the number of shares of each such Subsidiary's Stock held in treasury and each Subsidiary's directors and officers. There are no voting trusts, proxies or other agreements or understandings with respect to the voting of any Stock of any Subsidiary.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF BUYER.

The Buyer represents and warrants to the Debtors that the statements contained in this Article VI are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Article VI.

6.1 ORGANIZATION. The Buyer is, and, as of the Closing each Asset Buyer will be, a duly organized and validly existing corporation in good standing under the laws of the jurisdiction of its organization, and the Buyer has, and as of the Closing each Asset Buyer will have, the power and authority to own, lease and operate its assets and properties and to conduct its business as now being conducted (or in the case of each Asset Buyer, conducted as of the Closing).

6.2 AUTHORIZATION. There is no provision in the Buyer's, and as of the Closing, there will not be in any Asset Buyer's, organizational documents which prohibits or limits the Buyer's or any Asset Buyer's respective ability to consummate the transactions contemplated to be consummated by the Buyer and the Asset Buyer(s) hereunder. The Buyer has, and each Asset

Buyer will have, the full right, power and authority to enter into this Agreement and to consummate or cause to be consummated all of the transactions and to fulfill all of the obligations contemplated to be consummated or fulfilled by the Buyer and each Asset Buyer hereunder. The execution and delivery of this Agreement by the Buyer and the due consummation by the Buyer of the transactions contemplated to be consummated by the Buyer and each Asset Buyer hereby have been, and with respect to each Asset Buyer will be, duly authorized by all necessary action of the general partners, board of directors or members or managers, as applicable, of the Buyer or such Asset Buyer, respectively. This Agreement constitutes a legal, valid and binding agreement of the Buyer enforceable against the Buyer in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors' rights and to general equity principles.

6.3 NO CONFLICT OR VIOLATION. Except as may be required by the Hart-Scott-Rodino Act, neither the execution and delivery of this Agreement by the Buyer, nor the consummation by the Buyer or any Asset Buyer of the transactions contemplated to be consummated by the Buyer and such Asset Buyer hereby nor compliance by the Buyer and each Asset Buyer with any of the provisions hereof will result in: (i) a violation of or a conflict with any provision of the organizational documents of the Buyer or any Asset Buyer, as applicable; or (ii) a violation of any Law, or order, judgment, writ, injunction, decree or award, or an event which, with the giving of notice, lapse of time or both, would result in any such violation.

6.4 CONSENTS AND APPROVALS. No consent, approval or authorization of any Person, nor any declaration, filing or registration with any Governmental Authority or other Person, is required to be made or obtained by the Buyer in connection with the execution, delivery and performance by the Buyer of the transactions contemplated to be consummated by the Buyer hereunder, except as may be required by the Hart-Scott-Rodino Act.

6.5 BROKERS. No agent, broker or other Person acting pursuant to express or implied authority of the Buyer is entitled to a commission or finder's fee in connection with the transactions contemplated by this Agreement or, pursuant to express or implied authority of the Buyer, will be entitled to make any claim (including the assertion of a Lien) against the Debtors for a commission or finder's fee.

ARTICLE VII
ACTIONS PRIOR TO AND ON THE CLOSING

7.1 CONDUCT OF THE BUSINESS PRIOR TO THE CLOSING. Except as otherwise expressly contemplated by this Agreement or with the prior written consent of the Buyer, from the date hereof until the Closing, each of the Debtors shall, with respect to the Acquired Product Lines and the Acquired Assets (i) produce and distribute the Acquired Product Lines in the Ordinary Course of Business (including with respect to the payment of accounts payable to the fullest extent permissible under the Bankruptcy Code), (ii) use Commercially Reasonable Efforts to preserve intact the Acquired Product Lines, to keep available the services of present employees with respect thereto and to maintain appropriate levels of Inventory and (iii) not take any action inconsistent with this Agreement or with the consummation of the Closing. Without limiting the generality of the foregoing, except as otherwise expressly contemplated by this Agreement or

with the prior written consent of the Buyer, from the date hereof until the Closing, each Debtor shall:

7.1.1 not sell, assign, transfer, convey, pledge, mortgage, lease, license or otherwise dispose of or encumber their respective assets, or any interests therein, other than in the Ordinary Course of Business and consistent with past practice or as set forth on Schedule 7.1.1;

7.1.2 not make any material change in its methods of management, marketing, accounting or operating (or practices relating to payments);

7.1.3 provide to the Buyer, (i) all financial information which the Debtors are required to provide to the DIP Lenders under the DIP Loan Agreement and (ii) on a weekly basis, any other management reports and financial information prepared by or for the Debtors in the Ordinary Course of Business;

7.1.4 not take any action which is inconsistent with its obligations under this Agreement;

7.1.5 maintain the Acquired Assets in good operating condition and repair, subject to ordinary wear and tear;

7.1.6 continue all of its existing policies of insurance (or comparable insurance) in full force and effect and at least at such levels as are in effect on the date hereof, up to and including the Closing (and not cancel any such insurance or take, or fail to take, any action that would enable the insurers under such policies to avoid liability for claims arising out of occurrences prior to the Closing);

7.1.7 not enter into any transaction or make or enter into any Contractual Obligation or amend any such obligation which is not in the Ordinary Course of Business;

7.1.8 not grant any increase in the compensation payable or to become payable to any employee (including, without limitation, retention or stay bonus arrangements), except such increases as are required by contract and not contribute or make any commitment to, or representation that it shall, contribute any amounts to any Employee Benefit Plan of the Debtors, or otherwise alter any such Employee Benefit Plan of the Debtors or the funding thereof except as required by law or by the terms of any such plan as in effect on the date of this Agreement;

7.1.9 maintain the Books and Records in the usual, regular and ordinary manner and consistent with past practice;

7.1.10 maintain compliance with all Laws, rules and Regulations of all federal, state, local or foreign governmental or regulatory bodies that relate to the Acquired Product Lines and the Acquired Assets;

7.1.11 not implement any employee layoffs that could implicate the WARN Act;

7.1.12 apply or continue prosecution of applications already submitted for any Permits required under Environmental Laws for the continued operation of the Acquired Assets (as they are currently being operated) up to and after the Closing;

7.1.13 not incur any Liability, whether absolute, fixed or contingent, except in the Ordinary Course of Business;

7.1.14 not sell, transfer, license or otherwise dispose of, or agree to sell, transfer, license or otherwise dispose of, or permit to lapse any of the Intellectual Property;

7.1.15 not dividend, distribute or otherwise pay out any cash or cash equivalents except (i) for the payment of the Debtors' trade payables in the Ordinary Course of Business, (ii) to pay for professional fees and expenses incurred by the Debtors (to the extent that the payment of such professional fees and expenses is permitted by the Bankruptcy Court) and (iii) to pay interest due under the DIP Loan Agreement;

7.1.16 not incur any Indebtedness including, without limitation, drawing down any amounts under the DIP Loan Agreement; and

7.1.17 not terminate, discontinue, close or dispose of any plant, Leased Facility or business operation relating to the Acquired Product Lines.

The Debtors shall not (i) take or agree or commit to take any action that would make any of the Debtors' Representations inaccurate in any material respect at, or as of any time prior to, the Closing or (ii) omit or agree to omit to take any action necessary to prevent any such representation or warranty from being inaccurate in any material respect at any such time.

7.2 INSPECTION.

7.2.1 The Debtors agree that, prior to the Closing, the Buyer, the Buyer's lenders, and their respective representatives shall, upon reasonable notice and so long as such access does not unreasonably interfere with the business operations of the Debtors, have reasonable access during normal business hours to all Leased Facilities and Owned Real Property and shall be entitled to make such reasonable investigation of the properties, businesses and operations of the Debtors (including, without limitation, any "Phase I" or "Phase II" environmental investigations) and such examination of the Books and Records and financial condition of the Debtors as it reasonably requests and to make extracts and copies to the extent necessary of such Books and Records; provided that the Buyer shall be bound by and shall comply with the terms of the Confidentiality Agreement with respect to the Buyer's ability to use or disclose any such information; and provided further that no investigation pursuant to this Section 7.2 shall affect any representations or warranties made herein or the conditions to the obligations of the respective parties to consummate the transactions contemplated by this Agreement.

7.2.2 The Debtors agree that, prior to the Closing, the Buyer and the Buyer's lenders shall, upon reasonable notice and so long as such access does not unreasonably interfere with the business operations of the Debtors, through its authorized officers, employees, agents and representatives, have reasonable access during normal business hours to all facilities of the

Debtors for the purposes of permitting the Buyer's lenders (or a Third Party service provider selected by the Buyer's lenders) to conduct a physical inventory of the Inventory. The cost of any such physical inventory shall be the responsibility of the Buyer or the Buyer's lenders.

7.2.3 The Debtors shall deliver to the Buyer copies of the Debtors' interim monthly and year-to-date consolidated financial statements as soon as reasonably practicable (and in any event within 15 days) following the end of each monthly accounting period during the period between the date of this Agreement and the Closing. These financial statements shall include income statements, balance sheets, profit and loss and other analyses and comparisons to the Debtors' budget for the Acquired Product Lines, as well as an explanation of the assumptions and the accounting policies and practices used in preparation thereof and such other matters as the Buyer may reasonably request and, if any, interim statements and operating reports filed with the United States Trustee or the Bankruptcy Court.

7.3 CONSENTS AND COMMERCIALLY REASONABLE EFFORTS.

7.3.1 AUTHORIZATIONS. Upon the approval of this Agreement by the Bankruptcy Court, the Parties will commence to take all Commercially Reasonable Efforts required to obtain all authorizations, consents, approvals, orders and agreements of, and to give all notices and make all filings with, Governmental Authorities and any other Person necessary to authorize, approve or permit their respective obligations pursuant to this Agreement and the consummation of the transactions contemplated hereby. Subject to the terms and conditions herein provided, each of the Parties covenants and agrees to cooperate fully with each other and use its Commercially Reasonable Efforts to take, or cause to be taken, all actions or do, or cause to be done, all things necessary, proper or advisable under applicable Law or otherwise to consummate and make effective the transactions contemplated hereby. The Parties will cooperate with one another: (i) in determining whether any action by or in respect of, or filing with, any Governmental Authority is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any material Contractual Obligations in connection with the consummation of the transactions contemplated by this Agreement; and (ii) in seeking any such actions, consents, approvals or waivers or making any such filings, furnishing information required in connection therewith and seeking timely to obtain any such actions, consents, approvals or waivers. Subject to applicable Laws relating to the exchange of information, the Parties shall have the right to review in advance, and to the extent practicable each will consult with the other on, all information related to the Parties and their respective subsidiaries that appears in any filing made with, or written materials submitted to, any Third Party or Governmental Authority in connection with the transactions contemplated by this Agreement.

7.3.2 HART-SCOTT-RODINO ACT. Upon the approval of this Agreement by the Bankruptcy Court or earlier if directed by the Buyer, the Parties, if applicable, will promptly prepare and file with the Federal Trade Commission and the Antitrust Division of the United States Department of Justice Notification and Report Forms and documentary material which comply with the provisions of the Hart-Scott-Rodino Act and the rules thereunder and will use Commercially Reasonable Efforts to promptly file any additional information requested as soon as practicable after receipt of the request. The Buyer will pay all filing and other fees in connection with such filings.

7.3.3 PLAN OF REORGANIZATION. The Debtors will not amend the Plan of Reorganization except in accordance with the terms of the Plan of Reorganization. The Debtors will use Commercially Reasonable Efforts to have the Plan of Reorganization confirmed by the Bankruptcy Court as soon as possible.

7.3.4 REGULATORY APPROVALS. No Party will take any action which will have the effect of delaying, impairing or impeding the receipt of any required regulatory approvals.

7.3.5 NOTICES OF CERTAIN EVENTS. Each Party will notify the other Party of: (i) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement; (ii) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; (iii) any actions, suits, claims, investigations or proceedings commenced or, to its knowledge threatened against, relating to or involving or otherwise affecting such Party or any of its Affiliates which relate to the consummation of the transactions contemplated by this Agreement; and (iv) any change that is reasonably likely to result in a Material Adverse Change or is likely to delay or impede the ability of any Party to consummate the transactions contemplated by this Agreement or to fulfill its obligations set forth herein.

7.3.6 FORBEARANCE AGREEMENT. The Debtors will use their best efforts to obtain an Order by the Bankruptcy Court that prohibits the DIP Lenders from exercising any of their rights under the Forbearance Agreement dated as of August ___, 2002 by and between the DIP Lenders and the Debtors which could materially adversely effect the Debtors or interfere with the Debtors' use and enjoyment of the Acquired Assets.

7.4 EMPLOYEE BENEFIT PLANS. The Debtors agree that, except as expressly contemplated by this Agreement or otherwise consented to in writing by the Buyer, from the date of this Agreement through the Closing, none of the Debtors shall:

7.4.1 increase the compensation payable to or to become payable to any director or executive officer of the Debtors or any ERISA Affiliate, except for increases in salary or wages payable or to become payable upon promotion to an office having greater operational responsibilities and otherwise in the Ordinary Course of Business;

7.4.2 grant any severance or termination pay (other than pursuant to the severance policies of the Debtors or any ERISA Affiliate or any Contractual Obligation binding on the Debtors or any ERISA Affiliate, in each case as in effect on the date of this Agreement and disclosed in the schedules to this Agreement) to, or enter into any employment or severance agreement with, any director, officer of the Debtors or any ERISA Affiliate, either individually or as part of a class of similarly situated Persons;

7.4.3 establish, adopt or enter into any Employee Benefit Plan; or

7.4.4 except as required by Law or the terms of the applicable Employee Benefit Plan, amend or take any other actions, including acceleration of vesting and waiver of performance criteria, with respect to any Employee Benefit Plan.

7.5 EMPLOYEES.

7.5.1 Immediately prior to the Closing, the employment of the employees employed in connection with the Acquired Product Lines shall be terminated by the Debtors, and all employees set forth on Schedule 7.5.1 shall have the right to apply for employment with the Buyer and/or the Asset Buyer(s). The Debtors acknowledge that the Buyer and/or the Asset Buyer(s) intend to make offers of employment to certain employees employed in connection with the Acquired Product Lines, on terms and conditions of employment that may be different from those provided by the Debtors, and that it is uncertain how many employees of the Debtors will accept employment with the Buyer and/or the Asset Buyer(s). The number of offers of employment made by the Buyer and/or the Asset Buyer(s), and the terms and conditions of such offers, shall be determined by the Buyer in its sole discretion and in accordance with applicable law. Except to the extent specifically assumed under Section 2.2 hereof, the Debtors shall be responsible for any and all wages, bonuses, commissions, employee benefits, retention or stay bonus arrangements, and other compensation (including all obligations under any Employee Benefit Plans) due to the employees employed in connection with the Acquired Product Lines arising out of their employment with the Debtors prior to and as of the Closing.

7.5.2 Nothing contained in this Agreement shall confer upon any employee of the Debtors hired by the Buyer and/or any Asset Buyer (the "REHIRED EMPLOYEES") any right with respect to continuance of employment by the Buyer, nor shall anything herein interfere with the right of the Buyer and/or the Asset Buyer(s) to terminate the employment of any Rehired Employees at any time, with or without notice, or restrict the Buyer and/or the Asset Buyer(s), in the exercise of their business judgment in modifying any of the terms or conditions of employment of the Rehired Employees after the Closing.

7.6 DEBTORS' COOPERATION IN HIRING OF EMPLOYEES. The Debtors shall cooperate with the Buyer and shall, permit the Buyer a reasonable period prior to the Closing Date (i) to meet with employees of the Debtors (including managers and supervisors) who are employed in connection with the Acquired Product Lines at such times as the Buyer shall reasonably request, (ii) to speak with such employees' managers and supervisors (in each case with appropriate authorizations and releases from such employees) who are being considered for employment by the Buyer and/or the Asset Buyer(s), (iii) to distribute to such employees of the Debtors such forms and other documents relating to potential employment by the Buyer and/or the Asset Buyer(s) after the Closing as the Buyer may reasonably request, and (iv) to the extent permitted by applicable law, to permit the Buyer's counsel, upon request, to review personnel files and other relevant employment information regarding employees of the Debtors.

7.7 WARN ACT. In respect of notices and payments relating to events occurring on or prior to the Closing, the Debtors shall be jointly and severally responsible for and assume all liability for any and all notices, payments, fines or assessments due to any government authority, pursuant to any applicable federal, state or local law, common law, statute, rule or regulation with respect to the employment, discharge or layoff of employees by the Debtors as of or before the Closing, including but not limited to the WARN Act. Likewise, in respect of notices and payments relating to events occurring after the Closing, the Asset Buyer(s) shall be responsible and assume all liability for any and all notices, payments, fines or assessments due to any

Governmental Authority, pursuant to any applicable Law, including but not limited to the WARN Act, with respect to the employment, discharge or layoff of Rehired Employees.

7.8 BANKRUPTCY ACTIONS. The Debtors will provide the Buyer with a reasonable opportunity to review and comment upon all motions, applications and supporting papers prepared by the Debtors relating to this Agreement (including forms of Orders and notices to interested parties) prior to the filing thereof in the Reorganization Cases. All motions, applications and supporting papers prepared by the Debtors and relating to the approval of this Agreement (including forms of Orders and notices to interested parties) to be filed on behalf of the Debtors after the date hereof must be acceptable in form and substance to Buyer, in its reasonable discretion.

7.9 EXCLUDED REAL PROPERTY. The Debtors agree that the covenants contained in Section 7.1 hereof shall apply to the Excluded Real Property. The Debtors further agree that the Buyer shall have the right to cause the Debtors to dispose of the Excluded Real Property prior to the Closing and to control all aspects of such disposition including, without limitation, (i) the hiring of real estate brokers, (ii) the negotiation of price and other terms of sale for any parcel of the Excluded Real Property, and (iii) directing a donation of any parcel of the Excluded Real Property. Any proceeds received by the Debtors in connection with the disposition of any of the Excluded Real Property whether by sale, condemnation or otherwise and whether received prior to or after the Closing, shall be Acquired Assets for all purposes of this Agreement. At the Buyer's direction, the Debtors will promptly execute any documents the Buyer reasonably requests to effectuate the disposition of the Excluded Real Property, including, without limitation, purchase and sale agreements, deeds, transfer declarations and closing statements. In addition, the Debtors shall obtain all necessary sale orders from the Bankruptcy Court to effectuate such dispositions of the Excluded Real Property. If on or prior to the Closing the Excluded Real Property is not disposed of pursuant to this Agreement, at the Debtors' request, the Buyer will assume the Excluded Real Property at Closing.

ARTICLE VIII
ACTIONS AFTER THE CLOSING

8.1 EMPLOYEE BENEFIT PLANS.

8.1.1 To the extent responsible on the Closing Date, the Debtors shall be responsible for all Employee Benefit Plans (other than the Assumed Plans) and to the extent not specifically assumed under Section 2.2.1 hereof, all obligations and liabilities thereunder. Except for the Assumed Plans or obligations specifically assumed under Section 2.2.1 hereof, or as required by operation of applicable Law, neither the Buyer nor any Asset Buyer shall assume any Employee Benefit Plans or any obligation or liability thereunder, and the Asset Buyer(s) shall provide benefits to those Rehired Employees as of or after the Closing as the Buyer, in its sole discretion, shall determine. Except for obligations arising, and relating solely to periods, after the Closing with respect to the Assumed Plans or obligations specifically assumed under Section 2.2.1 hereof, the Debtors shall indemnify, defend and hold harmless the Buyer and the Asset Buyer(s) from and against any and all Claims or Liabilities under any Employee Benefit

Plans. With respect to all Claims by current and former employees of the Debtors who are or were employed in connection with the Acquired Product Lines arising prior to or as of the Closing under any Employee Benefit Plans, whether insured or otherwise (including, but not limited to, life insurance, medical and disability programs), the Debtors shall, at their own expense, honor or cause their respective insurance carriers to honor such claims, whether made before or after the Closing, in accordance with the terms and conditions of such Employee Benefit Plans without regard to the employment by the Buyer or the Asset Buyer(s) of any such employees after the Closing and without regard to the assumption by the Buyer or the Asset Buyer(s) of the Assumed Plans.

8.1.2 As soon as reasonably possible after the Closing Date, the Buyer shall cause each Rehired Employee to be given credit for his or her service with the Debtors (only to the extent such service is taken into account under any Debtor's vacation or sick leave policy, program or arrangement) for the purpose of determining such Rehired Employee's vacation and sick leave (on a going-forward basis) in any vacation or sick leave plan, program or arrangement maintained for the Buyer's employees' benefit on or after the Closing Date; provided, however, neither the Buyer nor the Asset Buyer(s) shall be obligated to pay any cash amounts based on such credit. Notwithstanding the forgoing, the Buyer and the Asset Buyer(s) shall be responsible only for accrued liabilities and claims with respect to vacation and sick leave earned or accrued by Rehired Employees on or prior to the Closing Date to the extent such Liability is specifically assumed under Section 2.2.1 hereof.

8.2 COOPERATION OF THE BUYER AND THE DEBTORS. The Buyer and the Debtors jointly covenant and agree that, from and after the Closing Date, the Buyer and the Debtors will each use Commercially Reasonable Efforts to cooperate with each other in connection with any action, suit, proceeding, investigation or audit of the other relating to (a) the preparation of an audit of any Tax Return of any Debtor or the Buyer for all periods prior to or including the Closing Date and (b) any audit of the Buyer or any Asset Buyer and/or any audit of any Debtor with respect to the sales, transfer and similar Taxes imposed by the laws of any state or political subdivision thereof, relating to the transactions contemplated by this Agreement. In furtherance hereof, the Buyer and the Debtors further covenant and agree to promptly respond to all reasonable inquiries related to such matters and to provide, to the extent reasonably possible, substantiation of transactions and to make available and furnish appropriate documents and personnel in connection therewith. All costs and expenses incurred in connection with this Section 8.2 referred to herein shall be borne by the party who is subject to such action.

8.3 FURTHER ASSURANCES; CERTAIN CONSENTS. From time to time after the Closing and without further consideration, (i) the Debtors, upon the request of the Buyer, shall execute and deliver such documents and instruments of conveyance and transfer as the Buyer may reasonably request in order to consummate more effectively the purchase and sale of the Acquired Assets as contemplated hereby and to vest in the Asset Buyer title to the Acquired Assets transferred hereunder, and (ii) the Buyer, upon the request of the Debtors, shall execute and deliver (or shall cause to be executed and delivered) such documents and instruments of contract or lease assumption as Debtors may reasonably request in order to confirm the Asset Buyer(s)' liability for the obligations specifically assumed hereunder or otherwise more fully consummate the transactions contemplated by this Agreement. Without limiting the generality of the foregoing, if a consent of a Third Party which is required in order to assign any Acquired

Asset (or Claim, right or benefit arising thereunder or resulting therefrom) is not obtained prior to the Closing, or if an attempted assignment would be ineffective or would adversely affect the ability of any Debtor to convey its interest in question to the applicable Asset Buyer, the Debtors will cooperate with the Buyer and use Commercially Reasonable Efforts in any lawful arrangement to provide that the applicable Asset Buyer shall receive the interests of any Debtor in the benefits of such Acquired Asset. If any consent or waiver is not obtained before the Closing and the Closing is nevertheless consummated, each Debtor agrees to continue to use Commercially Reasonable Efforts to obtain all such consents as have not been obtained prior to such date.

8.4 NAME CHANGES. Promptly after the Closing, each Debtor shall and shall cause each of its Subsidiaries to take all necessary action to change its name to a name bearing no resemblance to the names set forth on the signature pages to this Agreement and following the Closing each Debtor shall not and shall cause its Subsidiaries not to use, directly or indirectly, the name "Diamond" or "Forster" or any other name which is confusingly similar thereto.

8.5 ACCOUNTS RECEIVABLE/COLLECTIONS. After the Closing, the Debtors shall permit the applicable Asset Buyer to collect, in the name of the Debtors, all Accounts Receivable constituting part of the Acquired Assets and to endorse with the name of any Debtor for deposit in the applicable Asset Buyer's account any checks or drafts received in payment thereof. Debtors shall promptly deliver to the applicable Asset Buyer any cash, checks or other property that they may receive after the Closing in respect of any Accounts Receivable or other asset constituting part of the Acquired Assets.

8.6 ACCESS TO INFORMATION. For a period of twenty-four (24) months after the Closing Date (the "TRANSITION Period"), each Party and their representatives shall have reasonable access to, and each shall have the right to photocopy, all of the Books and Records relating to the Acquired Product Lines or the Acquired Assets, including all employee records or other personnel and medical records required by law, legal process or subpoena, in the possession of the other party to the extent that such access may reasonably be required by such Party in connection with the Assumed Obligations or the Unassumed Liabilities, or other matters relating to or affected by the operation of the Acquired Product Lines and the Acquired Assets. During the Transition Period, and only to the extent that the Buyer's operation of the Acquired Assets is not interrupted in any material respect, the Buyer agrees to provide the Debtors, during ordinary business hours and upon reasonable notice and at any Debtor's request, with reasonable access to employees of the Buyer and/or the Asset Buyer(s) for purposes of winding down the estates of the Debtors. Such access shall be afforded by the party in possession of such Books and Records upon receipt of reasonable advance notice and during normal business hours; provided, however, that (A) any such investigation shall be conducted in such a manner as not to interfere unreasonably with the operation of the business of any party or its affiliates, (B) no party shall be required to take any action which would constitute a waiver of the attorney-client privilege and (C) no party need supply the other party with any information which such party is under a legal obligation not to supply. The party exercising this right of access shall be solely responsible for any costs or expenses incurred by it pursuant to this Section 8.6. If the party in possession of such Books and Records shall desire to dispose of any such Books and Records upon or prior to the expiration of such period, such party shall, prior to such disposition, give the

other party a reasonable opportunity at such other party's expense, to segregate and remove such Books and Records as such other party may select.

8.7 TRANSITION SERVICES. Following the Closing, the Debtors shall provide to the Asset Buyer(s) and the Buyer various services, including without limitation, operations support services (e.g., storage space for the Acquired Assets) and other transition services pursuant to mutually acceptable terms and conditions.

TERMINATION

9.1 TERMINATION AND ABANDONMENT. This Agreement may be terminated and abandoned at any time prior to the Closing Date:

9.1.1 by mutual written consent of the Parties;

9.1.2 by the Buyer if the Closing has not occurred on or before February 7, 2003; provided that if the Buyer is in breach of its obligations under this Agreement, the Buyer may not terminate this Agreement under this Section 9.1.2 if its breach is a primary cause of the delay of the Closing;

9.1.3 by the Buyer, so long as the Buyer is not then in breach of its obligations hereunder, if there has been a material breach of a Debtor's Representation as of the date of this Agreement or at the time of termination as if made on the date of such termination, except to the extent it relates to a particular date, or if there has been a material breach by the Debtors of their obligations under this Agreement, and in either case which breach, if curable, has not been cured within ten (10) Business Days following receipt by the Debtors of written notice of such breach and is existing at the time of termination of this Agreement;

9.1.4 by the Debtors, so long as none of the Debtors is then in breach of its obligations hereunder, if there has been a material breach of a Buyer's Representation as of the date of this Agreement or at the time of termination as if made on the date of such termination, except to the extent it relates to a particular date, or if there has been a material breach by the Buyer of its obligations under this Agreement, and in either case which breach, if curable, has not been cured within ten (10) Business Days following receipt by the Buyer of written notice of such breach and is existing at the time of termination of this Agreement; and

9.1.5 by the Buyer or the Debtors, if any event occurs which renders satisfaction of one or more of its conditions to effect the Closing impossible; provided that the Buyer or the Debtors, as the case may be, shall not be entitled to terminate this Agreement pursuant to this Section 9.1.5 if the impossibility results primarily from such party itself breaching any representation, warranty or covenant contained in this Agreement.

9.2 NOTICE OF TERMINATION. In the event of the termination of this Agreement by either the Buyer or the Debtors in accordance with Section 9.1, the terminating Party shall give prompt written notice thereof to the non-terminating Party.

9.3 EFFECT OF TERMINATION. Except as specifically provided in Section 3.2.1, in the event of the termination or abandonment of this Agreement in accordance with the provisions of

Section 9.1, the Deposit will be returned to the Buyer in accordance with the Earnest Money Deposit Agreement, and this Agreement thereafter shall become null and void and cease to have any effect other than the provisions of Sections 5.19, 6.5, 10.9 and 10.22, which sections shall survive such termination.

9.4 NO SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The representations and warranties of the Debtors and the Buyer contained in this Agreement or in any instrument delivered in connection herewith shall not survive the Closing.

ARTICLE X
GENERAL PROVISIONS

10.1 AMENDMENT AND MODIFICATION. No amendment, modification, supplement, termination, consent or waiver of any provision of this Agreement, nor consent to any departure therefrom, will in any event be effective unless the same is in writing and is signed by Buyer and the Debtors. Any waiver of any provision of this Agreement and any consent to any departure from the terms of any provision of this Agreement is to be effective only in the specific instance and for the specific purpose for which given.

10.2 ASSIGNMENTS. No Party may assign or transfer any of its rights or obligations under this Agreement (whether voluntarily or involuntarily or by operation of Law (including a merger or consolidation), judicial decree or otherwise) to any other Person without the prior written consent of the other Party. Notwithstanding the foregoing, the Buyer may assign its rights and obligations under this Agreement to (i) any Affiliate of the Buyer and (ii) as collateral for indebtedness for borrowed money, the Acquired Product Lines or the Acquired Assets without the consent of the Debtors, but no such assignment shall relieve the Buyer of any of its obligations hereunder.

10.3 BUSINESS DAY. If any day on which any payment is required to be made hereunder, or on which any notice must be sent, or on which any time period described herein commences or ends is not a Business Day, then such day will be deemed for all purposes of this Agreement to fall on the next succeeding day which is a Business Day.

10.4 CAPTIONS. Captions contained in this Agreement and the table of contents preceding this Agreement have been inserted herein only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

10.5 COUNTERPART FACSIMILE EXECUTION. For purposes of this Agreement, a document (or signature page thereto) signed and transmitted by facsimile machine or telecopier is to be treated as an original document. The signature of any Party thereon, for purposes hereof, is to be considered as an original signature, and the document transmitted is to be considered to have the same binding effect as an original signature on an original document. At the request of any Party, any facsimile or telecopy document is to be re-executed in original form by the Parties who executed the facsimile or telecopy document. No Party may raise the use of a facsimile machine

or telecopier or the fact that any signature was transmitted through the use of a facsimile or telecopier machine as a defense to the enforcement of this Agreement or any amendment or other document executed in compliance with this Section.

10.6 COUNTERPARTS. This Agreement may be executed by the Parties on any number of separate counterparts, and all such counterparts so executed constitute one agreement binding on all the Parties notwithstanding that all the Parties are not signatories to the same counterpart.

10.7 ENTIRE AGREEMENT. This Agreement, together with the Plan of Reorganization, constitutes the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, letters of intent, understandings, negotiations and discussions of the Parties, whether oral or written. If there are any inconsistencies between the terms of this Agreement and the terms of the Plan of Reorganization, the Parties and the Creditors' Committee hereby agree to work in good faith to resolve any such inconsistencies.

10.8 SCHEDULES AND EXHIBITS. All of the Schedules and Exhibits attached to this Agreement are deemed incorporated herein by reference.

10.9 EXPENSES INCURRED BY THE PARTIES. Except as otherwise provided herein, in the Plan of Reorganization or agreed to in writing by the Parties, all legal and other costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby are to be paid by the Party incurring such costs and expenses.

10.10 FAILURE OR DELAY. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or privilege hereunder operates as a waiver thereof; nor does any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. No notice to or demand on any Party in any case entitles such Party to any other or further notice or demand in similar or other circumstances.

10.11 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (regardless of the laws that might otherwise govern under applicable Delaware principles of conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

10.12 LEGAL FEES. In the event any Party brings suit or institutes arbitration proceedings to construe or enforce the terms hereof, or raises this Agreement as a defense in a suit or arbitration proceeding brought by another Party, the prevailing Party in such suit or arbitration proceeding shall be entitled to recover its attorneys' fees and expenses. The Debtors agree to pay directly all Taxes, fees and other charges, including all sales Taxes, transfer Taxes and recording charges, incurred as a result of the consummation of the transactions contemplated by this Agreement. The Debtors will seek a provision in the Confirmation Order that exempts the transactions contemplated hereby from Taxes pursuant to ss.1146(c) of the Bankruptcy Code.

10.13 NOTICES BETWEEN THE PARTIES. All notices, consents, requests, demands and other communications hereunder are to be in writing, and are deemed to have been duly given or made: (i) when delivered in person; (ii) three days after deposited in the United States mail, first class postage prepaid; (iii) in the case of telegraph or overnight courier services, one Business Day after delivery to the telegraph company or overnight courier service with payment provided;

(iv) in the case of telecopy or fax, when sent, verification received; or (v) in the case of electronic transmission such as e-mail, when sent; in each case addressed as follows:

if to the Buyer:

Jarden Corporation
555 Theodore Fremd Avenue
Suite B-302
Rye, NY 10580-1455
Attn: Martin E. Franklin
Fax No. (914) 967-9405
e-mail: mfranklin@jardencorp.com

with a copy to:

Kirkland & Ellis
200 East Randolph Drive
56th Floor
Chicago, Illinois 60601
Attention: Gary R. Silverman
Fax No: (312) 861-2200
e-mail: gsilverman@chicago.kirkland.com

if to the Debtors:

Diamond Brands, Inc.
1660 South Highway 100
Suite 122
Minneapolis, MN 55416
Attn: Naresh K. Nakra
Fax No. (952) 543-6211
e-mail: nnakra@diamondbrands.com

with a copy to:

Skadden Arps Slate Meagher & Flom
333 West Wacker Drive
Chicago, Illinois 60606
Attn: Timothy R. Pohl
Fax No. (312) 404-0411
e-mail: tpohl@skadden.com

or to such other address as any Party may designate by notice to the other Party in accordance with the terms of this Section.

10.14 PUBLICITY REGARDING THIS AGREEMENT. Any publicity release, advertisement, filing, public statement or announcement made by or at the request of any Party regarding this Agreement or any of the transactions contemplated hereby is to be first reviewed by and must be

satisfactory to the other Party. Notwithstanding the preceding sentence, if a Party is required by applicable Law to make any publicity release, filing, public statement or announcement, the issuing Party may make the same without the approval of the other Party but the issuing Party must use Commercially Reasonable Efforts to consult with the other Party before making any such release, public statement or announcement.

10.15 REMEDIES ARE EXCLUSIVE. Except in the case of fraud or willful misconduct, the remedies provided herein are the sole remedies of the Parties and are exclusive of any remedies or rights that might be available to any Party at law, in equity or otherwise.

10.16 SEVERABILITY. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction is, as to such jurisdiction, ineffective to the extent of any such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof, or affecting the validity, enforceability or legality of such provision in any other jurisdiction, unless the ineffectiveness of such provision would result in such a material change as to cause completion of the transactions contemplated hereby to be unreasonable. Upon a determination that any provision of this Agreement is prohibited, unenforceable or not authorized, the Parties agree to negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible, in a mutually acceptable manner, in order that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible.

10.17 SPECIFIC PERFORMANCE AND INJUNCTIVE RELIEF. Each Party recognizes that, if it fails to perform, observe or discharge any of its obligations under this Agreement, no remedy at law will provide adequate relief to the other Party. Therefore, each Party is hereby authorized to demand specific performance of this Agreement, and is entitled to temporary and permanent injunctive relief, in a court of competent jurisdiction at any time when the other Party fails to comply with any of the provisions of this Agreement applicable to it. To the extent permitted by Law, each Party hereby irrevocably waives any defense that it might have based on the adequacy of a remedy at law which might be asserted as a bar to such remedy of specific performance or injunctive relief.

10.18 SUBMISSION TO JURISDICTION. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO MUST BE BROUGHT IN THE BANKRUPTCY COURT AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PARTY HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF SUCH COURT. THE PARTIES IRREVOCABLY WAIVE ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH ANY OF THEM MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH JURISDICTION. EACH PARTY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF SUCH COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO EACH OF THE OTHER PARTIES AT ITS ADDRESS PROVIDED HEREIN, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING.

10.19 SUCCESSORS AND ASSIGNS. All provisions of this Agreement are binding upon, inure to the benefit of and are enforceable by or against the Parties and their respective heirs, executors, administrators or other legal representatives and permitted successors and assigns.

10.20 THIRD-PARTY BENEFICIARY. This Agreement is solely for the benefit of the Parties and their respective successors and permitted assigns, and no other Person has any right, benefit, priority or interest under or because of the existence of this Agreement except as specifically set forth herein.

10.21 EFFECTIVE CONTROL. If the transactions contemplated under this Agreement (as may be amended, supplemented or otherwise modified from time to time) are consummated and the Plan of Reorganization (as may be amended, supplemented or otherwise modified from time to time) is confirmed in accordance with the terms and conditions hereunder and thereunder, the Parties hereby agree that the date on which the Buyer and the Asset Buyer(s) will be deemed to have acquired effective control (i.e., the risks and rewards of ownership) of the Acquired Product Lines shall be January 1, 2003.

10.22 LIABILITY OF BUYER'S AFFILIATES. No past, present or future director, officer, employee, member, shareholder, incorporator, partner or Affiliate of the Buyer or any Affiliate thereof will have any Liability for any obligations of the Buyer under this Agreement or for any Claim based on, in respect of or by reason of such obligations or their creation.

{The remainder of this page has been left intentionally blank.
The next page is the only signature page.}

IN WITNESS WHEREOF, the Parties hereto have caused this Asset Purchase Agreement to be executed and delivered on the date first above written.

BUYER:

JARDEN CORPORATION

By: /s/ Desiree DeStefano

Desiree DeStefano
Vice President

DEBTORS:

DIAMOND BRANDS INC.

By: /s/ Naresh Nakra

Naresh Nakra
Chief Executive Officer

DIAMOND BRANDS OPERATING CORP.

By: /s/ Naresh Nakra

Naresh Nakra
Chief Executive Officer

DIAMOND BRANDS KANSAS, INC.

By: /s/ Naresh Nakra

Naresh Nakra
Chief Executive Officer

FORSTER, INC.

By: /s/ Naresh Nakra

Naresh Nakra
Chief Executive Officer

CONSENT, WAIVER AND AMENDMENT NO. 1 TO CREDIT AGREEMENT

This Consent, Waiver and Amendment No. 1 to Credit Agreement (this "Agreement") dated as of September 18, 2002 is made by and among JARDEN CORPORATION (successor by name change to Alltrista Corporation), a Delaware corporation (the "Borrower"), BANK OF AMERICA, N.A., a national banking association organized and existing under the laws of the United States ("Bank of America"), in its capacity as administrative agent for the Lenders (as defined in the Credit Agreement (as defined below)) (in such capacity, the "Administrative Agent"), and each of the Lenders signatory hereto, and each of the Guarantors (as defined in the Credit Agreement) signatory hereto.

W I T N E S S E T H:

WHEREAS, the Borrower, the Administrative Agent and the Lenders have entered into that certain Credit Agreement dated as of April 24, 2002 (as hereby amended and as from time to time hereafter further amended, modified, supplemented, restated, or amended and restated, the "Credit Agreement"; the capitalized terms used in this Agreement not otherwise defined herein shall have the respective meanings given thereto in the Credit Agreement), pursuant to which the Lenders have made available to the Borrower various revolving credit and term loan facilities, including a letter of credit facility and a swing line facility; and

WHEREAS, each of the Guarantors has entered into a Facility Guaranty pursuant to which it has guaranteed certain or all of the obligations of certain or all of the Borrower under the Credit Agreement and the other Loan Documents; and

WHEREAS, the Borrower has advised the Administrative Agent and the Lenders that it desires to acquire the business of Diamond Brands Operating Corp. (the "Target") through a stock and asset purchase after the consummation of which all of the assets of the Target will be owned by one or more existing, acquired or created Subsidiaries of the Borrower, each of which shall be wholly-owned (directly or indirectly) by the Borrower (collectively, such transaction is referred to herein as the "Proposed Acquisition"), which Proposed Acquisition requires consent under the terms of the Credit Agreement; and

WHEREAS, the Borrower has requested that the Administrative Agent and the Lenders waive the application of certain provisions of the Credit Agreement to permit the Proposed Acquisition, as set forth below, and the Administrative Agent and the Required Lenders signatory hereto are willing to effect such a waiver on the terms and conditions contained in this Agreement; and

WHEREAS, the Borrower has further advised the Administrative Agent and the Lenders that it desires to amend certain provisions of the Credit Agreement as set forth below, and the Administrative Agent and the Required Lenders signatory hereto are willing to effect such amendment on the terms and conditions contained in this Agreement;

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

1. Amendments to Credit Agreement. Subject to the terms and conditions set forth herein, the Credit Agreement is hereby amended as follows:

(a) The following new definition is hereby added to Article I in the proper alphabetical order:

> "Available Repurchase Amount" means, at any time of measurement thereof, (a) $10,000,000, minus (b) the aggregate amount of Bond Repurchases (as defined in Section 7.19) made during the then-current fiscal year of the Borrower pursuant to part (y) of the proviso to Section 7.19, minus (c) the aggregate amount of Restricted Payments made pursuant to Section 7.07(c) during the then-current fiscal year of the Borrower.

(b) Section 7.07(c) is hereby deleted in its entirety and replaced with the following:

> (c) the Borrower may repurchase shares of its own stock at any time so long as both immediately before and after the making of any such repurchase, and pro forma for each such stock repurchase, (i) the Available Repurchase Amount is not less than $0, (ii) the Total Leverage Ratio is less than or equal to 1.75 to 1.00, (iii) the excess of the Aggregate Revolving Credit Commitments over the aggregate Outstanding Amount of all Revolving Loans, Swing Line Loans and L/C Obligations shall equal or exceed $25,000,000, and (iv) no Default or Event of Default shall have occurred and be continuing.

(c) The proviso to Section 7.19 is hereby deleted in its entirety and replaced with the following:

> provided that (x) to the extent the issuance of the Exchange Notes in accordance with the terms of the Subordinated Indenture would otherwise violate any part of Section 7.19(a) or (b) above, such issuance of the Exchange Notes in accordance with the terms of the Subordinated Indenture is expressly permitted, and (y) at any time the Borrower may prepay, redeem, purchase, repurchase, defease or otherwise satisfy prior to the scheduled maturity thereof (each such event a "Bond Repurchase") a principal amount of Subordinated Indebtedness so long as both immediately before and after the making of any such Bond Repurchase, and pro forma for each such Bond Repurchase, (i) the Available Repurchase Amount is not less than $0, (ii) the Total Leverage Ratio is less than or equal to 1.75 to 1.00, (iii) the excess of the Aggregate Revolving Credit Commitments over the aggregate Outstanding Amount

of all Revolving Loans, Swing Line Loans and L/C Obligations shall equal or exceed $25,000,000, and (iv) no Default or Event of Default shall have occurred and be continuing.

2. Consent and Waiver.

(a) The Administrative Agent and the Lenders signatory hereto, by their execution and delivery of this Agreement, hereby consent to the Borrower, either directly or through one or more Guarantors, consummating the Proposed Acquisition, and waive any Default or Event of Default under the Credit Agreement that would otherwise occur as a result of the Proposed Acquisition, including without limitation as a result of the violation of Section 7.14 of the Credit Agreement, provided that the portion of the Cost of Acquisition to be paid other than with the capital stock, warrants or options to acquire capital stock of the Borrower or any Subsidiary shall not exceed:

(i) $98,000,000 with respect to the initial offer made for the Proposed Acquisition, to be made on or about September 19, 2002 (such date of the initial offer, the "Initial Bid Date"); and

(ii) for any subsequent offer made for the Proposed Acquisition on any date after the Initial Bid Date (any such date, a "Subsequent Bid Date"), the sum of (x) $98,000,000 and (y) the Excess Cash Amount (as defined below).

For purposes of this Section 2(a), the "Excess Cash Amount," on any Subsequent Bid Date on which such amount is calculated, equals (A) cash on the balance sheet of the Borrower on the Subsequent Bid Date, net of the aggregate Outstanding Amount of all Revolving Loans, Swing Line Loans and L/C Obligations on the Subsequent Bid Date, MINUS (B) cash on the balance sheet of the Borrower on the Initial Bid Date, net of the aggregate Outstanding Amount of all Revolving Loans, Swing Line Loans and L/C Obligations on the Initial Bid Date; provided that notwithstanding the foregoing, in the event that the cash on the balance sheet of the Target is less than $15,500,000 on the Subsequent Bid Date, or on the most recent date prior to the Subsequent Bid Date for which such information is available, the Excess Cash Amount shall equal $0.

(b) The Administrative Agent and the Lenders signatory hereto, by their execution and delivery of this Agreement, hereby waive any Default or Event of Default under the Credit Agreement that results from the calculations of the financial covenants as of and for the period ended June 30, 2002, as (i) reported and certified in that certain Compliance Certificate delivered with respect to such period in accordance with Section 6.02(b) of the Credit Agreement, and (ii) corrected and disclosed to the Lenders on or prior to the date hereof.

3. Conditions Precedent. The effectiveness of this Agreement, and the amendments to the Credit Agreement provided in Section 1 hereof and the consent and waiver provided for in Section 2 hereof, are all subject to the satisfaction of each the following conditions precedent:

(a) The Administrative Agent shall have received each of the following documents or instruments in form and substance reasonably acceptable to the Administrative Agent:

(i) thirteen (13) original counterparts of this Agreement, duly executed by the Borrower, the Administrative Agent, each Guarantor and the Required Lenders;

(ii) pro forma historical financial statements as of the end of the most recently completed fiscal year of the Borrower and most recent interim fiscal quarter giving effect to the Proposed Acquisition;

(iii) a certificate substantially in the form of Exhibit D to the Credit Agreement prepared on a historical pro forma basis as of the date of the Audited Financial Statements or, if later, as of the most recent date for which financial statements have been furnished pursuant to Section 6.01(b) of the Credit Agreement giving effect to the Proposed Acquisition, which certificate shall demonstrate that no Default or Event of Default shall have occurred and be continuing either immediately prior to or immediately after giving effect to the Proposed Acquisition;

(iv) such other documents, instruments, opinions, certifications, undertakings, further assurances and other matters as the Administrative Agent shall reasonably require;

(b) Notwithstanding the 30-day time limit provided therein, and notwithstanding any limitation or waiver of the requirements thereof that might otherwise be determined to result from the terms of this Agreement, substantially simultaneously with the consummation of the Proposed Acquisition the Borrower shall have complied, and shall have caused each of its Subsidiaries (determined after giving effect to the Proposed Acquisition) to comply, fully with the requirements of Section 6.14 of the Credit Agreement, including with respect to any new assets acquired in the Proposed Acquisition;

(c) All fees and expenses payable to the Administrative Agent and the Lenders (including the reasonable fees and expenses of counsel to the Administrative Agent) accrued to date shall have been paid in full.

4. Consent the Guarantors. Each of the Guarantors has joined in the execution of this Agreement for the purposes of consenting hereto and for the further purpose of confirming its guaranty of the Obligations of the Borrower pursuant to the Guaranty to which such Guarantor is party. Each Guarantor hereby consents, acknowledges and agrees to the amendments of the Credit Agreement and the consent and waiver set forth herein and hereby confirms and ratifies in all respects the Guaranty to which such Guarantor is a party and the enforceability of such Guaranty against such Guarantor in accordance with its terms.

5. Representations and Warranties. In order to induce the Administrative Agent and the Lenders party hereto to enter into this Agreement, the Borrower represents and warrants to the Administrative Agent and such Lenders as follows:

(a) The representations and warranties made by the Borrowers in Article V of the Credit Agreement (after giving effect to this Agreement) and in each of the other Loan Documents to which it is a party are true and correct in all material respects on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date;

(b) There has been no occurrence of any event or events which could reasonably be expected to have a Material Adverse Effect since the date of the most recent financial reports of the Borrowers delivered pursuant to Section 4.01(a)(ix) or Section 6.01 of the Credit Agreement, as applicable;

(c) The Persons appearing as Guarantors on the signature pages to this Agreement constitute all Persons who are required to be Guarantors pursuant to the terms of the Credit Agreement and the other Loan Documents, including without limitation all Persons who became Subsidiaries or were otherwise required to become Guarantors after the Closing Date as a result of any merger, acquisition or other reorganization, and each such Person has executed and delivered a Guaranty; and

(d) No Default or Event of Default has occurred and is continuing.

6. Entire Agreement. This Agreement, together with all the Loan Documents (collectively, the "Relevant Documents"), sets forth the entire understanding and agreement of the parties hereto in relation to the subject matter hereof and supersedes any prior negotiations and agreements among the parties relative to such subject matter. No promise, condition, representation or warranty, express or implied, not herein set forth shall bind any party hereto, and not one of them has relied on any such promise, condition, representation or warranty. Each of the parties hereto acknowledges that, except as otherwise expressly stated in the Relevant Documents, no representations, warranties or commitments, express or implied, have been made by any party to the other. None of the terms or conditions of this Agreement may be changed, modified, waived or canceled orally or otherwise, except as permitted pursuant to Section 10.01 of the Credit Agreement.

7. Full Force and Effect of Agreement. Except as hereby specifically amended, modified or supplemented, the Credit Agreement and all other Loan Documents are hereby confirmed and ratified in all respects by each party hereto and shall be and remain in full force and effect according to their respective terms.

8. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

9. Governing Law. This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the state of New York.

10. Enforceability. Should any one or more of the provisions of this Agreement be determined to be illegal or unenforceable as to one or more of the parties hereto, all other provisions nevertheless shall remain effective and binding on the parties hereto.

11. References. All references in any of the Loan Documents to the "Credit Agreement" shall mean the Credit Agreement, as amended hereby.

12. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and each of the Guarantors and Lenders, and their respective successors, assigns and legal representatives; provided, however, that neither any Borrower nor any Guarantor, may assign any rights, powers, duties or obligations hereunder without complying with the requirements for such an action contained in the Credit Agreement.

13. Expenses. The Borrower agrees to pay to the Administrative Agent all reasonable out-of-pocket expenses incurred or arising in connection with the negotiation and preparation of this Agreement.

14. Authorization of Agent by Required Lenders. By its execution and delivery hereof, each Lender signatory hereto hereby authorizes the Administrative Agent, upon receipt of the signature pages hereto from the Required Lenders, to modify this Agreement in Section 2(a) only to refer to the purchase price submitted by the Borrower in connection with the Proposed Acquisition which complies with the terms of Section 2(a) herein and to delete the proviso now appearing therein, and to execute and deliver this Agreement as so modified on its behalf to the Borrower for its use in submitting its purchase price for the Proposed Acquisition.

[SIGNATURE PAGES FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have caused this Consent, Waiver and Amendment No. 1 to Credit Agreement to be made, executed and delivered by their duly authorized officers as of the day and year first above written.

BORROWER:

JARDEN CORPORATION (successor by name change to Alltrista Corporation)

By: /s/ Desiree DeStefano

Name: Desiree DeStefano
Title: Vice President

GUARANTORS:

HEARTHMARK, INC., an Indiana corporation
ALLTRISTA PLASTICS CORPORATION, an Indiana corporation
ALLTRISTA NEWCO CORPORATION, an Indiana corporation
UNIMARK PLASTICS, INC., a Pennsylvania corporation
TRIENDA CORPORATION (f/k/a TRIENDA NEWCO, INC.), a Indiana corporation
TILIA, INC. (successor by name change to Alltrista Acquisition I, Inc.), a Delaware corporation
TILIA DIRECT, INC. (successor by name change to Alltrista Acquisition II, Inc.), a Delaware corporation
TILIA INTERNATIONAL, INC. (successor by name change to Alltrista Acquisition III, Inc.), a Delaware corporation

By: /s/ Desiree DeStefano

Name: Desiree DeStefano
Title: Vice President

ALLTRISTA ZINC PRODUCTS, L.P., an Indiana limited partnership
By: Alltrista Newco Corporation, a Indiana corporation, its general partner

By: /s/ Desiree DeStefano

Name: Desiree DeStefano
Title: Vice President

QUOIN CORPORATION, a Delaware corporation

By: /s/ Ian G. H. Ashken

Name: Ian G. H. Ashken
Title: Treasurer

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

By: /s/ Igor Suica

Name: Igor Suica

Title: Vice President

LENDERS:

BANK OF AMERICA, N.A., as a Lender, L/C Issuer
and Swing Line Lender

By: /s/ Igor Suica

Name: Igor Suica

Title: Vice President

CIBC INC.

By: /s/ Dean J. Decker

Name: Dean J. Decker

Title: Managing Director
CIBC World Markets Corp., as Agent

NATIONAL CITY BANK OF INDIANA

By: /s/ David G. McNeely

Name: David G. McNeely

Title: Corporate Banking Officer

THE BANK OF NEW YORK

By: /s/ Maurice A. Campbell

Name: Maurice A. Campbell

Title: Assistant Vice President

FLEET NATIONAL BANK

By: /s/ W. Lincoln Schoff, Jr.

Name: W. Lincoln Schoff, Jr.

Title: SVP

HARRIS TRUST AND SAVINGS BANK

By: /s/ Kirby M. Law

Name: Kirby M. Law

Title: Vice President

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Daniel R. Kraus

Name: Daniel R. Kraus

Title: Assistant Vice President

ALLFIRST BANK

By:

Name:

Title:

TRANSAMERICA BUSINESS CAPITAL CORPORATION

By: /s/ Steve Goetschius

Name: Steve Goetschius

Title: Senior Vice President

UNION FEDERAL BANK OF INDIANAPOLIS

By: /s/ Julia C. Schneider

Name: Julia C. Schneider

Title: Commercial Loan Officer

AMENDMENT NO. 2 TO CREDIT AGREEMENT AND AMENDMENT NO. 1 TO SECURITY AGREEMENT

This Amendment No. 2 to Credit Agreement and Amendment No. 1 to Security Agreement (this "Agreement") dated as of September 27, 2002 is made by and among JARDEN CORPORATION (successor by name change to Alltrista Corporation), a Delaware corporation (the "Borrower"), BANK OF AMERICA, N.A., a national banking association organized and existing under the laws of the United States ("Bank of America"), in its capacity as administrative agent for the Lenders (as defined in the Credit Agreement (as defined below)) (in such capacity, the "Administrative Agent"), and each of the Lenders signatory hereto, and each of the Guarantors (as defined in the Credit Agreement) signatory hereto.

W I T N E S S E T H:

WHEREAS, the Borrower, the Administrative Agent and the Lenders have entered into that certain Credit Agreement dated as of April 24, 2002, as amended by that certain Consent, Waiver and Amendment No. 1 to Credit Agreement, dated as of September 19, 2002 (as hereby amended and as from time to time hereafter further amended, modified, supplemented, restated, or amended and restated, the "Credit Agreement"; the capitalized terms used in this Agreement not otherwise defined herein shall have the respective meanings given thereto in the Credit Agreement), pursuant to which the Lenders have made available to the Borrower various revolving credit and term loan facilities, including a letter of credit facility and a swing line facility; and

WHEREAS, each of the Guarantors has entered into a Guaranty pursuant to which it has guaranteed certain or all of the obligations of certain or all of the Borrower under the Credit Agreement and the other Loan Documents; and

WHEREAS, the Borrower and each of the Guarantors has entered into a Security Agreement dated as of April 24, 2002 (as hereby amended and as from time to time hereafter further amended, modified, supplemented, restated, or amended and restated, the "Security Agreement") pursuant to which it has granted a lien to the Agent, for the benefit of the Lenders, in all of its personal property;

WHEREAS, the Borrower has further advised the Administrative Agent and the Lenders that it desires to amend certain provisions of the Credit Agreement and the Security Agreement in order to permit the sale of certain accounts receivable pursuant to factoring arrangements as set forth below, and the Administrative Agent and the Required Lenders signatory hereto are willing to effect such amendments on the terms and conditions contained in this Agreement;

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

1. Amendments to Credit Agreement. Subject to the terms and conditions set forth herein, the Credit Agreement is hereby amended as follows:

(a) The following new definitions are hereby added to Article I of the Credit Agreement in the proper alphabetical order:

"Factoring Agreement" means an agreement by and between the Borrower or a Subsidiary and a Factoring Company pursuant to which the Borrower or such Subsidiary shall sell, transfer and assign its rights, title and interests in certain accounts receivable, specifically identified therein, to a Factoring Company, a copy of which has been provided to the Administrative Agent prior to its execution and delivery by all parties thereto and the terms of which are acceptable to the Administrative Agent in form and substance in its reasonable discretion.

"Factoring Company" means that certain Person party to any Factoring Agreement to whom the Borrower or a Subsidiary sells, transfers and assigns its right, title and interests in certain accounts receivable pursuant to the terms of such Factoring Agreement.

(b) Section 7.05(f) of the Credit Agreement is hereby amended to add the following proviso at the end of such section:

"; provided, further, that, without increasing the $35,000,000 limit provided in this Section 7.05(f), the first $1,000,000 of aggregate Net Proceeds in each fiscal year of the Borrower realized from the Disposition of Excluded Accounts (as defined in the Security Agreement) under all Factoring Agreements shall not be required to be applied as a prepayment as would otherwise be required under Section 2.06(e)."

2. Amendments to Security Agreement. Subject to the terms and conditions set forth herein, the Security Agreement is hereby amended as follows:

(a) Section 2 of the Security Agreement is hereby amended to add the clause "(except as otherwise provided below) in the first paragraph of such section after the clause "all of the personal property of such Grantor or in which such Grantor has or may have or acquire an interest or the power to transfer rights therein"

(b) Section 2(a) of the Security Agreement is hereby amended to add the following proviso at the end of such section:

"provided, however, that notwithstanding the foregoing, the term "Accounts" shall not include any such accounts receivables, contracts, bills, acceptances, choses in action and other forms of monetary obligations at any time owing to such Grantor that have been sold, assigned or transferred by such Grantor to a Factoring Company in compliance with the terms of the Credit Agreement (collectively referred to hereinafter as the "Excluded Accounts");

(c) Section 2(d) of the Security Agreement is hereby amended to add the following proviso at the end of such section:

"provided, however, that notwithstanding the foregoing, the term "General Intangibles" shall not include any rights of any Grantor in any contract, agreement or instrument evidencing the Excluded Accounts which rights have been sold, assigned and transferred by such Grantor to a Factoring Company in compliance with the terms of the Credit Agreement (collectively referred to hereinafter as the "Excluded General Intangibles");

(d) Section 2(h) of the Security Agreement is hereby amended to add the following proviso at the end of such section:

"provided, however, that, notwithstanding the foregoing, the term "Instruments" shall not include any instrument evidencing the Excluded Accounts which instrument has been sold, assigned and transferred by a Guarantor to a Factoring Company in compliance with the terms of the Credit Agreement (collectively referred to hereinafter as the "Excluded Instruments" and, together with all Excluded Accounts and Excluded General Intangibles, the "Excluded Property");

(e) A new Section 2(m) of the Security Agreement is added to read in its entirety as follows and the current Section 2(m) is renumbered as Section 2(n):

"(m) All rights to monetary obligations owing, due and payable to such Grantor by any Factoring Company pursuant to the terms of any Factoring Agreement;"

(f) The last paragraph of Section 2 of the Security Agreement is hereby amended to add the phrase "(other than Excluded Property)" after the phrase "subsections (a) through (n)".

3. Authorization of Agent by Required Lenders. By its execution and delivery hereof, each Lender signatory hereto hereby authorizes the Administrative Agent, upon receipt of the signature pages hereto from the Required Lenders, to file UCC amendments to amend the Exhibit A of each UCC financing statement delivered and filed pursuant to Section 4.01(a)(xviii)

of the Credit Agreement to conform to the changes made in the Security Agreement in this Agreement.

4. Conditions Precedent. The effectiveness of this Agreement, and the amendments to the Credit Agreement and the Security Agreement provided in Sections 1 and 2 hereof are all subject to the satisfaction of each the following conditions precedent:

(a) The Administrative Agent shall have received each of the following documents or instruments in form and substance reasonably acceptable to the Administrative Agent:

(i) thirteen (13) original counterparts of this Agreement, duly executed by the Borrower, the Administrative Agent, each Guarantor and the Required Lenders;

(ii) a final form of the Factoring Agreement by and between Tilia, Inc. and Newstart Factors, Inc., with respect to the accounts receivable of World Kitchen, Inc., the terms of which are acceptable to the Administrative Agent in its reasonable discretion, an executed copy of which is to be delivered within three (3) days of the date of this Agreement;

(iii) UCC Amendments with respect to each UCC Financing Statement amending Exhibit A to conform to the changes made to the Security Agreement in this Agreement;

(iv) such other documents, instruments, opinions, certifications, undertakings, further assurances and other matters as the Administrative Agent shall reasonably require;

(b) All fees and expenses payable to the Administrative Agent and the Lenders (including the reasonable fees and expenses of counsel to the Administrative Agent) accrued to date shall have been paid in full.

5. Consent and Agreement of the Guarantors. Each of the Guarantors has joined in the execution of this Agreement for the purposes of consenting and agreeing hereto and for the further purpose of confirming its guaranty of the Obligations of the Borrower pursuant to the Guaranty to which such Guarantor is party and its grant of a security interest in its personal property pursuant to the Security Agreement. Each Guarantor hereby consents, acknowledges and agrees to the amendments of the Credit Agreement and the Security Agreement set forth herein and hereby confirms and ratifies in all respects (i) the Guaranty to which such Guarantor is a party and the enforceability of such Guaranty against such Guarantor in accordance with its

terms, and (ii) the Security Agreement and the enforceability of the Security Agreement against such Guarantor in accordance with its terms.

6. Representations and Warranties. In order to induce the Administrative Agent and the Lenders party hereto to enter into this Agreement, the Borrower represents and warrants to the Administrative Agent and such Lenders as follows:

(a) The representations and warranties made by the Borrowers in Article V of the Credit Agreement (after giving effect to this Agreement) and in each of the other Loan Documents to which it is a party are true and correct in all material respects on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date;

(b) There has been no occurrence of any event or events which could reasonably be expected to have a Material Adverse Effect since the date of the most recent financial reports of the Borrowers delivered pursuant to Section 4.01(a)(ix) or Section 6.01 of the Credit Agreement, as applicable;

(c) The Persons appearing as Guarantors on the signature pages to this Agreement constitute all Persons who are required to be Guarantors pursuant to the terms of the Credit Agreement and the other Loan Documents, including without limitation all Persons who became Subsidiaries or were otherwise required to become Guarantors after the Closing Date as a result of any merger, acquisition or other reorganization, and each such Person has executed and delivered a Guaranty; and

(d) No Default or Event of Default has occurred and is continuing.

7. Entire Agreement. This Agreement, together with all the Loan Documents (collectively, the "Relevant Documents"), sets forth the entire understanding and agreement of the parties hereto in relation to the subject matter hereof and supersedes any prior negotiations and agreements among the parties relative to such subject matter. No promise, condition, representation or warranty, express or implied, not herein set forth shall bind any party hereto, and not one of them has relied on any such promise, condition, representation or warranty. Each of the parties hereto acknowledges that, except as otherwise expressly stated in the Relevant Documents, no representations, warranties or commitments, express or implied, have been made by any party to the other. None of the terms or conditions of this Agreement may be changed, modified, waived or canceled orally or otherwise, except as permitted pursuant to Section 10.01 of the Credit Agreement.

8. Full Force and Effect of Agreement. Except as hereby specifically amended, modified or supplemented, the Credit Agreement and all other Loan Documents are hereby confirmed and ratified in all respects by each party hereto and shall be and remain in full force and effect according to their respective terms.

9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

10. Governing Law. This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the state of New York.

11. Enforceability. Should any one or more of the provisions of this Agreement be determined to be illegal or unenforceable as to one or more of the parties hereto, all other provisions nevertheless shall remain effective and binding on the parties hereto.

12. References. All references in any of the Loan Documents to the "Credit Agreement" and the "Security Agreement" shall mean the Credit Agreement and the Security Agreement, as amended hereby.

13. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and each of the Guarantors and Lenders, and their respective successors, assigns and legal representatives; provided, however, that neither any Borrower nor any Guarantor, may assign any rights, powers, duties or obligations hereunder without complying with the requirements for such an action contained in the Credit Agreement.

14. Expenses. The Borrower agrees to pay to the Administrative Agent all reasonable out-of-pocket expenses incurred or arising in connection with the negotiation and preparation of this Agreement.

[SIGNATURE PAGES FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to Credit Agreement and Amendment No. 1 to Security Agreement to be made, executed and delivered by their duly authorized officers as of the day and year first above written.

BORROWER:

JARDEN CORPORATION (successor by name change to Alltrista Corporation)

By: /s/ Desiree DeStefano

Name: Desiree DeStefano
Title: Vice President

GUARANTORS:

HEARTHMARK, INC., an Indiana corporation
ALLTRISTA PLASTICS CORPORATION, an Indiana corporation
ALLTRISTA NEWCO CORPORATION, an Indiana corporation
UNIMARK PLASTICS, INC., a Pennsylvania corporation
TRIENDA CORPORATION (f/k/a TRIENDA NEWCO, INC.), a Indiana corporation
TILIA, INC. (successor by name change to Alltrista Acquisition I, Inc.), a Delaware corporation
TILIA DIRECT, INC. (successor by name change to Alltrista Acquisition II, Inc.), a Delaware corporation
TILIA INTERNATIONAL, INC. (successor by name change to Alltrista Acquisition III, Inc.), a Delaware corporation

By: /s/ Desiree DeStefano

Name: Desiree DeStefano
Title: Vice President

ALLTRISTA ZINC PRODUCTS, L.P., an Indiana limited partnership
By: Alltrista Newco Corporation, a Indiana corporation, its general partner

By: /s/ Desiree DeStefano

Name: Desiree DeStefano
Title: Vice President

QUOIN CORPORATION, a Delaware corporation

By: /s/ Ian G. H. Ashken

Name: Ian G. H. Ashken
Title: Treasurer

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

By: /s/ Igor Suica

Name: Igor Suica

Title: Vice President

LENDERS:

BANK OF AMERICA, N.A., as a Lender, L/C Issuer
and Swing Line Lender

By: /s/ Igor Suica

Name: Igor Suica

Title: Vice President

CIBC INC.

By: /s/ Dean J. Decker

Name: Dean J. Decker

Title: Managing Director
CIBC World Markets Corp., as Agents

NATIONAL CITY BANK OF INDIANA

By: /s/ David McNeely

Name: David McNeely

Title: Corp. Banking Officer

THE BANK OF NEW YORK

By: /s/ Maurice A. Campbell

Name: Maurice A. Campbell

Title: Assistant Vice President

FLEET NATIONAL BANK

By: /s/ W. Lincoln Schoff, Jr.

Name: W. Lincoln Schoff, Jr.

Title: Senior Vice President

HARRIS TRUST AND SAVINGS BANK

By:

Name:

Title:

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Scott A. Dvornek

Name: Scott A. Dvornek

Title: Vice President

ALLFIRST BANK

By:

Name:

Title:

TRANSAMERICA BUSINESS CAPITAL CORPORATION

By: /s/ Steve Goetschius

Name: Steve Goetschius

Title: Senior Vice President

UNION FEDERAL BANK OF INDIANAPOLIS

By: /s/ Julia C. Schneider
Name: Julia C. Schneider
Title: Commercial Loan Officer

AMENDMENT NO. 3 TO CREDIT AGREEMENT AND WAIVER

This Amendment No. 3 to Credit Agreement (this "Agreement") dated as of January 31, 2003 is made by and among JARDEN CORPORATION (successor by name change to Alltrista Corporation), a Delaware corporation (the "Borrower"), BANK OF AMERICA, N.A., a national banking association organized and existing under the laws of the United States ("Bank of America"), in its capacity as administrative agent for the Lenders (as defined in the Credit Agreement (as defined below)) (in such capacity, the "Administrative Agent"), and each of the Lenders signatory hereto, and each of the Guarantors (as defined in the Credit Agreement) signatory hereto.

W I T N E S S E T H:

WHEREAS, the Borrower, the Administrative Agent and the Lenders have entered into that certain Credit Agreement dated as of April 24, 2002, as amended by that certain Consent, Waiver and Amendment No. 1 to Credit Agreement, dated as of September 18, 2002, as further amended by Amendment No. 2 to Credit Agreement and Amendment No. 1 to Security Agreement dated as of September 27, 2002 (as so amended, as hereby amended and as from time to time hereafter further amended, modified, supplemented, restated, or amended and restated, the "Credit Agreement"; the capitalized terms used in this Agreement not otherwise defined herein shall have the respective meanings given thereto in the Credit Agreement), pursuant to which the Lenders have made available to the Borrower various revolving credit and term loan facilities, including a letter of credit facility and a swing line facility; and

WHEREAS, each of the Guarantors has entered into a Guaranty pursuant to which it has guaranteed certain or all of the obligations of the Borrower under the Credit Agreement and the other Loan Documents; and

WHEREAS, the Borrower has advised the Administrative Agent and the Lenders that it has entered into that certain Asset Purchase Agreement dated as of November 27, 2002 (the "APA") with Diamond Brands, Incorporated ("DBI"), Diamond Brands Operating Corp. ("DBOC"), Diamond Brands Kansas, Inc. ("DBK") and Forster, Inc. ("Forster" and together with DBI, DBOC and DBK, the "Target"), pursuant to which the Borrower, through certain of its existing or newly created Subsidiaries, will acquire such assets of the Target as set forth in the APA (such acquisition is referred to herein as the "Proposed Acquisition"); and

WHEREAS, the Borrower has requested that the maximum principal amount of the Revolving Credit Facility be increased by $20,000,000 and that the maximum principal amount of the Term Loan Facility be increased by $10,000,000, and such additional amount of the Term Loan Facility be advanced at the consummation of the APA, and the Administrative Agent and the Lenders are willing to amend the Credit Agreement to provide for such increased principal amounts on the terms and conditions contained in this Agreement; and

WHEREAS, the APA has been submitted to the classes of creditors of DBI and DBOC entitled to vote as part of the Joint Plan of Reorganization of Diamond Brands Operating Corp.

and Its Debtor Affiliates Proposed by the Debtors and Jarden Corporation, filed with the Bankruptcy Court of the State of Delaware on November 27, 2002 (the "Plan"); and

WHEREAS, after the consummation of the APA, as modified by the Confirmation Order (as defined in the APA), substantially all of the assets of the Target will be owned by one or more existing or newly created Subsidiaries of the Borrower, each of which shall be wholly-owned (directly or indirectly) by the Borrower; and

WHEREAS, Tilia International, Inc., a Subsidiary of the Borrower, has entered into that certain Intellectual Property Assignment Agreement with Intropack, a Korean corporation, and Kyul Joo Lee, an individual, dated as of November 27, 2002 (the "Intropack Agreement") pursuant to which the Borrower is purchasing certain intellectual property rights related to its business and products, for an amount not to exceed $10,000,000 in the aggregate over the life of the Intropack Agreement; and

WHEREAS, the Borrower has requested that the Administrative Agent and the Lenders waive the application of certain provisions of the Credit Agreement, as set forth below, and the Administrative Agent and the Lenders are willing to effect such a waiver on the terms and conditions contained in this Agreement; and

WHEREAS, the Borrower has further advised the Administrative Agent and the Lenders that it desires to amend certain provisions of the Credit Agreement related to the Intropack Agreement and otherwise as set forth below, and the Administrative Agent and the Lenders are willing to effect such amendment on the terms and conditions contained in this Agreement;

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

1. Amendments to Credit Agreement. Subject to the terms and conditions set forth herein, the Credit Agreement is hereby amended as follows:

(a) The following new definitions are hereby added to Article I of the Credit Agreement in their respective proper alphabetical order:

"Diamond Acquisition" means the Acquisition by the Borrower and certain of its Subsidiaries of all or substantially all of the assets of Diamond Brands Operating Corp. and certain of its affiliates pursuant to that certain Asset Purchase Agreement dated as of November 27, 2002, by and among the Borrower, Diamond Brands, Inc., Diamond Brands Operating Corp., Diamond Brands Kansas, Inc. and Forster, Inc.

"Intropack" means Intropack, a Korean corporation.

"Intropack Agreement" means that certain Intellectual Property Assignment Agreement by and between Tilia International, Inc., Intropack, a Korean corporation, and Kyul Joo Lee, an individual, dated as of November 27,

2002, pursuant to which Tilia International, Inc., a Guarantor, has acquired, and will acquire, certain intellectual property useful in the business of the Borrower and its Subsidiaries.

(b) The definition of "Consolidated EBITDA" in Article I of the Credit Agreement is hereby amended by replacing the parenthetical in part (a) of such definition with the following: "(net of up to $10,000,000 of nonrecurring gains not otherwise excluded in the calculation of Consolidated Net Income as used in this definition, and net of up to $6,000,000 of reorganization expenses incurred in connection with the Diamond Acquisition not otherwise excluded in the calculation of Consolidated Net Income as used in this definition)".

(c) The amount "$10,000,000" in the definition of "Letter of Credit Sublimit" in Article I of the Credit Agreement is hereby replaced with "$15,000,000".

(d) The amount "$50,000,000" in the definition of "Revolving Credit Facility" in Article I of the Credit Agreement is hereby replaced with "$70,000,000".

(e) The definition of "Term Loan" in Article I of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"Term Loan" means the loan made pursuant to the Term Loan Facility in accordance with Section 2.01 or otherwise in connection with any amendment to this Agreement providing for an increase in the Term Loan Facility and an advance at a date after the Closing Date.

(f) The definition of "Term Loan Facility" in Article I of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"Term Loan Facility" means (a) the facility described in Section 2.01 providing for a Term Loan to the Borrower by the Lenders in an original principal amount of $50,000,000 as of the Closing Date, and (b) any increase in the then-existing principal amount of the Term Loan, or other adjustment to such facility, in any amendment to this Agreement, provided that such additional principal amount shall not exceed $10,000,000.

(g) The amount "$5,000,000" in the definition of "Threshold Amount" in Article I of the Credit Agreement is hereby replaced with "$7,500,000".

(h) The table in Section 2.08(c) is hereby deleted in its entirety and replaced with the following:

Date	Amount
September 30, 2002	$1,250,000.00
December 31, 2002	$1,250,000.00
March 31, 2003	$1,513,157.89
June 30, 2003	$1,513,157.89

September 30, 2003	$2,269,736.84
December 31, 2003	$2,269,736.84
March 31, 2004	$2,269,736.84
June 30, 2004	$2,269,736.84
September 30, 2004	$3,026,315.79
December 31, 2004	$3,026,315.79
March 31, 2005	$3,026,315.79
June 30, 2005	$3,026,315.79
September 30, 2005	$3,782,894.74
December 31, 2005	$3,782,894.74
March 31, 2006	$3,782,894.74
June 30, 2006	$3,782,894.74
September 30, 2006	$4,539,473.68
December 31, 2006	$4,539,473.68
March 31, 2007	$4,539,473.68
Stated Maturity Date	All remaining Outstanding Amounts of the Term Loan

(i) Section 2A.03(a) is hereby amended by replacing the phrase "are currently located" in the fourth line thereof with "are located as of the Closing Date".

(j) Section 2A.03(b) is hereby amended by replacing the phrase "complete list of (i)" with "complete list as of the Closing Date of (i)".

(k) Section 2A.03(c) is hereby amended by replacing the phrase "since April 1, 1997" with "from April 1, 1997 to the Closing Date".

(l) Section 5.13 is hereby deleted in its entirety and replaced with the following:

> 5.13 SUBSIDIARIES. The Borrower (i) has no Subsidiaries other than those specifically disclosed in Part (a) of Schedule 5.13 and additional Subsidiaries created or acquired after the Closing Date in compliance with Section 6.14; and (ii) has no equity investments in any other corporation or entity other than those specifically disclosed in Part (b) of Schedule 5.13 and additional equity investments made after the Closing Date in accordance with the terms of this Agreement.

(m) The table in Section 7.15 is hereby deleted in its entirety and replaced with the following, including the proviso at the end of such table:

Fiscal Year Ending	Maximum Capital Expenditures
December 31, 2002	$12,000,000
December 31, 2003	$16,000,000
December 31, 2004	$18,000,000
December 31, 2005	$20,000,000
December 31, 2006	$22,000,000

; provided that Capital Expenditures made by any of Diamond Brands, Inc., Diamond Brands Operating Corp., Diamond Brands Kansas, Inc. and Forster, Inc. on or after January 1, 2003 but prior to the consummation of the Diamond Brands Acquisition, with respect to assets acquired by the Borrower or one of its Subsidiaries pursuant to the Diamond Acquisition, shall constitute Capital Expenditures made by the Borrower and its Subsidiaries in the fiscal year of the Borrower ending December 31, 2003.

(n) The following new Section 7.22 is hereby added to the Credit Agreement:

7.22 INTROPACK AGREEMENT. Make payments in excess of $7,500,000 in the aggregate pursuant to Section 2.2 of the Intropack Agreement (excluding any payments made prior to this Section 7.22 becoming an effective part of the Credit Agreement); provided that so long as such payments do not exceed $7,500,000 in the aggregate over the life of the Intropack Agreement (excluding any payments made prior to this Section 7.22 becoming an effective part of the Credit Agreement), such payments shall be deemed permitted under this Agreement and shall not be deemed to be Investments or Capital Expenditures hereunder.

(o) Schedule 1.01(a) to the Credit Agreement is hereby deleted and replaced with the revised Schedule 1.01(a) attached to this Agreement as Exhibit A.

2. Consents, Waivers and Agreements.

(a) The Administrative Agent and the Lenders hereby consent to the Borrower, either directly or through one or more Subsidiaries (each of which is a Guarantor except as specifically excepted in this Agreement), consummating the Proposed Acquisition, and waive any Default or Event of Default under the Credit Agreement and the other Loan Documents that would otherwise occur as a result of, and immediately upon the consummation of, the Proposed Acquisition, including without limitation a violation of Section 7.14 of the Credit Agreement, provided that:

(i) the Proposed Acquisition is consummated in accordance with the APA, a copy of which is attached hereto as Exhibit B, without waiver or delay of any condition precedent thereto in any material respect (unless the Administrative Agent is given notice

of and approves such material waiver or delay in its sole discretion), and without modification or amendment of the APA in any material respect since the date of execution thereof except to the extent such amendment or modification is expressly set forth in the Confirmation Order and is satisfactory to the Administrative Agent in its sole discretion;

(ii) the principal amount outstanding under the DIP Loan Agreement (as defined in the APA), which amount is required to be retired by the Borrower pursuant to Section 3.1(i)(b) of the APA, shall not exceed $84,100,000, provided that the parties agree that such maximum principal amount shall not include (x) any interest due and payable with respect to such principal amount outstanding under the DIP Loan Agreement, even if classified as additional principal as a result of a default under the DIP Loan Agreement or otherwise, (y) any amount due by the Borrower or one of its Subsidiaries pursuant to the APA or the Plan in connection with the Interest Rate Swap Agreement (as defined in the Plan), or (z) amounts constituting attorneys or bank fees and related fees to be paid in connection with the payment of the outstanding principal amount of the DIP Loan Agreement;

(iii) the portion of the purchase price defined as "Additional Consideration" in the APA shall not be paid by the Borrower or any Subsidiary in cash unless (A) after making such cash payment, the Aggregate Revolving Credit Commitments exceeds the aggregate Outstanding Amount of all Revolving Loans, Swing Line Loans and L/C Obligations by not less than $20,000,000, and (B) no Default or Event of Default exists, either before or after the making of such payment;

(iv) the Confirmation Order approving the Plan and the APA has been entered as a Final Order (as defined in the APA), and demonstrates that the assets acquired in the Proposed Acquisition are acquired by the Borrower and/or its Subsidiaries free and clear of all Liens (other than those Liens defined as "Permitted Liens" in the APA); and

(v) the Borrower has delivered to the Administrative Agent a copy of the Confirmation Order together with a certificate of the Secretary or Assistant Secretary of the Borrower stating that (A) such copy of the Confirmation Order is a true and correct copy, (B) such Confirmation Order is a Final Order and satisfies the condition precedent set forth in Section 4.3.2 of the APA, and (C) all conditions precedent to the effectiveness of the APA and the Plan have been satisfied in full without waiver or delay thereof in any material respect, unless the Administrative Agent has approved such material waiver or delay in its sole discretion.

So long as the conditions set forth in this Paragraph 2(a) are and continue to be satisfied, the Proposed Acquisition shall be disregarded in calculating the dollar limitations on Acquisitions provided in Section 7.14 of the Credit Agreement. In the event that any of the conditions to the waiver and consent contained in this Paragraph 2(a) is violated or otherwise fails, whether occurring at or after the consummation of the Proposed Acquisition, then an Event of Default shall be deemed to have immediately occurred under the Credit Agreement, notwithstanding any other waiver or consent to the Proposed Acquisition given by the Lenders prior to the date of this Agreement.

(b) With respect to a new Subsidiary (the "Real Estate Subsidiary") created by the Borrower for the sole purpose of acquiring, in connection with the Proposed Acquisition and pursuant to the APA, that certain Assumed Owned Real Property (as defined in the APA) set forth on Schedule 2.1.1.7 of the APA as of November 27, 2002, without regard to any later modification or amendment to the APA or Schedule 2.1.1.7 thereto, the Administrative Agent and the Lenders hereby waive the requirements of Section 6.14 of the Credit Agreement and provisions of the other Loan Documents applicable to newly created or organized Subsidiaries, provided that, and only so long as, the Real Estate Subsidiary holds no assets other than the Assumed Owned Real Property and conducts no business other than the maintenance and/or sale of the Assumed Owned Real Property. So long as the proviso in the preceding sentence remains true, the parties hereto agree that the Real Estate Subsidiary will not be required (i) to become a Guarantor, (ii) to enter into a Security Agreement or any other Security Instrument, (iii) to have its stock or other equity interests pledged, or (iv) otherwise to provide Collateral or other security pursuant to any provisions of the Credit Agreement or the other Loan Documents. In the event that the Real Estate Subsidiary holds assets other than the Assumed Owned Real Property and/or conducts business other than the maintenance and/or sale of the Assumed Owned Real Property, the Borrower shall give prompt written notice, but in any case within not less than 10 Business Days of such holding of assets or conduct of business, to the Administrative Agent and the requirements of Section 6.14 of the Credit Agreement shall become immediately applicable and shall be satisfied within 10 Business Days of the Administrative Agent's receipt of such notice, and any provisions of any other Loan Documents waived by this Paragraph 2(b) shall become immediately effective and shall be satisfied within 10 Business Days of the Administrative Agent's receipt of such notice.

(c) In the event that the Borrower or one of its Subsidiaries issues Equity Securities that would give rise to a prepayment obligation pursuant to Section 2.06(e)(ii) of the Credit Agreement, the Administrative Agent and the Lenders hereby consent to the Borrower excluding from the calculation of Net Proceeds therefrom, on a one-time basis, (A) that portion of the proceeds from such issuance of Equity Securities used to pay the Additional Consideration (as defined in the APA), not to exceed $6,000,000 in the aggregate, and (B) an additional amount from the proceeds of such issuance of Equity Securities of up to $5,000,000 (the total amount so to be excluded, including the Additional Consideration and the additional amount up to $5,000,000, is referred to herein as the "Permitted Excluded Amount"), provided that:

(i) not later than 10 Business Days after the receipt of proceeds from the issuance of Equity Securities, the Borrower gives written notice to the Administrative Agent of its intent to use a portion of such proceeds (not to exceed $6,000,000) to pay the Additional Consideration and of its intent to exclude from the calculation of Net Proceeds the Permitted Excluded Amount, which notice may be included in and delivered with the calculation of Net Proceeds required to be delivered pursuant to Section 2.06(e)(ii), and which notice will include the calculation of the amount of the Permitted Excluded Amount, which may not exceed the amount used to pay the Additional Consideration in cash (up to $6,000,000) plus $5,000,000;

(ii) the Borrower is entitled at such time to make the payment of Additional Consideration in cash pursuant to Paragraph 2(a)(iii) of this Agreement;

(iii) not later than the last day on which the payment of the Additional Consideration may be made pursuant to the terms of the APA, the Borrower makes the payment of Additional Consideration in cash; and

(iv) at all times from the date of such Equity Issuance until the proceeds are used to make the payment of Additional Consideration, no Default or Event of Default shall have occurred and be continuing.

The condition in Paragraph 2(c)(i) above must be satisfied in order for any of the Permitted Excluded Amount to be excluded from the calculation of Net Proceeds in calculating the prepayment required by Section 2.06(e)(ii) of the Credit Agreement. In the event that one of the conditions in Paragraphs 2(c)(ii), (iii) and (iv) above fails after the Borrower has made a prepayment required by Section 2.06(e)(ii) of the Credit Agreement and excluded the Permitted Excluded Amount from the Net Proceeds in calculating such prepayment, the Borrower shall give prompt written notice thereof, and in any case within 10 Business Days of the failure of any such condition, to the Administrative Agent, which notice shall include a calculation of the amount of the prepayment avoided by the earlier exclusion from the calculation of Net Proceeds of the amount to be used to pay the Additional Consideration (but not the additional amount up to $5,000,000), and such notice shall be accompanied by the payment of such previously avoided prepayment set forth in such notice.

(d) In the event that the Borrower, directly or through one or more Subsidiaries, at any time Disposes of any or all of the Assumed Owned Real Property, the Administrative Agent and the Lenders hereby consent, so long as no Default or Event of Default has occurred and is continuing at the time of such Disposition, to the Borrower excluding from the prepayment requirements of Section 2.06(e)(iii) up to an aggregate amount of $500,000 of Net Proceeds from all such Dispositions.

(e) With respect to assets acquired by the Borrower and its Subsidiaries pursuant to the Proposed Acquisition, to the extent that the Credit Agreement and the other Loan Documents require that prior notice be given of the location of tangible assets of the Borrower or any Subsidiary, of trade names, trademarks or other trade styles, and/or similar information, including without limitation the requirements of Section 2A.03 of the Credit Agreement and Sections 7(f), 7(h), 7(i), 9(e)(iii), 9(f)(iii) and 9(j) of the Security Agreement, the Borrower shall not be required to give the Administrative Agent such notice until the date that is 30 days after the consummation of the Proposed Acquisition.

(f) The parties hereto agree that, so long as accomplished in compliance with the terms of the Intropack Agreement, the acquisition of intellectual property pursuant to the Intropack Agreement by Tilia International, Inc., and the related transactions contemplated by the Intropack Agreement, shall not constitute an "Acquisition" under the Credit Agreement.

(g) The parties hereto agree that, with respect to any patent, patent application, trademark, trademark application, copyright registration or copyright application acquired prior to the effective date of this Agreement pursuant to the Intropack Agreement (the "Intropack IP"), the requirements of the IP Security Agreement that relate to a Grantor (as defined in the IP Security Agreement) giving notice of the acquisition of such newly acquired intellectual

property, taking perfection action with respect thereto, and/or delivering revised Schedules I, II and III with respect thereto, and related requirements, including without limitation Sections 5 and 20 of the IP Security Agreement, the Borrower and its applicable Subsidiaries shall have 30 days after the date of this Agreement to deliver such notices and schedules and to take such perfection action.

3. Effectiveness; Conditions Precedent. The effectiveness of this Agreement, and the amendments to the Credit Agreement provided in Paragraph 1 hereof and the consents and waivers provided for in Paragraph 2 hereof, are all subject to the satisfaction of each the following conditions precedent:

(a) The Administrative Agent shall have received each of the following documents or instruments in form and substance reasonably acceptable to the Administrative Agent:

(i) thirteen (13) original counterparts of this Agreement, duly executed by the Borrower, the Administrative Agent, each Guarantor and each of the Lenders, together with all schedules and exhibits thereto duly completed;

(ii) resolutions of the Board of Directors of the Borrower authorizing the Proposed Acquisition and the related transactions, certified by the Secretary or Assistant Secretary of Borrower;

(iii) pro forma historical financial statements as of the end of the most recently completed fiscal year of the Borrower and most recent interim fiscal quarter giving effect to the Proposed Acquisition;

(iv) a certificate substantially in the form of Exhibit D to the Credit Agreement prepared on a historical pro forma basis as of the date of the Audited Financial Statements or, if later, as of the most recent date for which financial statements have been furnished pursuant to Section 6.01(b) of the Credit Agreement giving effect to the Proposed Acquisition, which certificate shall demonstrate that no Default or Event of Default shall have occurred and be continuing either immediately prior to or immediately after giving effect to the Proposed Acquisition and this Agreement;

(v) the Advance Notice (as defined in Paragraph 4 below), along with each of the documents required as a condition to the consent to the Proposed Acquisition described in Paragraph 2(a) hereof; and

(vi) such other documents, instruments, opinions, certifications, undertakings, further assurances and other matters as the Administrative Agent shall reasonably request.

(b) Notwithstanding the 30-day time limit provided therein, and notwithstanding any limitation or waiver of the requirements thereof that might otherwise be determined to result from the terms of this Agreement, but subject to the exclusion set forth in Paragraph 2(b) hereof with respect to the Real Estate Subsidiary, substantially

simultaneously with the consummation of the Proposed Acquisition the Borrower shall have complied, and shall have caused each of its Subsidiaries (determined after giving effect to the Proposed Acquisition) to have complied, fully with the requirements of Section 6.14 of the Credit Agreement, including with respect to any new assets acquired in the Proposed Acquisition.

(c) All fees and expenses payable to the Administrative Agent and the Lenders (including the fees and expenses of counsel to the Administrative Agent) estimated to date shall have been paid in full (without prejudice to final settling of accounts for such fees and expenses).

4. Advance of the Term Loan.

(a) Attached as Exhibit C hereto is the additional commitment of each Lender providing for an increase in the aggregate amount of $10,000,000 of the existing principal amount of the Term Loan, as permitted in the definitions of "Term Loan" and "Term Loan Facility" in the Credit Agreement, as such terms are amended by Paragraph 1 of this Agreement.

(b) Subject to the terms and conditions of this Agreement, including the satisfaction of the conditions precedent to the effectiveness of this Agreement contained in Paragraph 3 hereof and the conditions to the consent and waiver with respect to the Proposed Acquisition found in Paragraphs 2(a)(i), (ii), (iv) and (v) hereof, each Lender committing to an increased amount of the Term Loan severally agrees to make an advance of its share of the increase in the Term Loan, as set forth on Exhibit C hereto, in Dollars to the Borrower, at the time set forth in Paragraph 4(c) below.

(c) The advance of the increase in the Term Loan shall be made upon the Borrower giving written notice (the "Advance Notice") to the Administrative Agent that the conditions to the consent to the Proposed Acquisition in Paragraph 2 hereof have been satisfied (the date of the delivery of the Advance Notice is referred to herein as the "Advance Notice Date"), which Advance Notice shall be given not later than the latest of (x) 1:00 P.M. the day after the consummation of the APA and (y) 1:00 P.M. the day after the Confirmation Order becomes a Final Order. In the event that the Administrative Agent has received the Advance Notice not later than 12:00 Noon New York time on the Advance Notice Date, the Administrative Agent shall immediately give each Lender committing to an increased amount of the Term Loan notice of the receipt of the Advance Notice, and each such Lender shall make the amount of its advance as set forth on Exhibit C hereto available by wire transfer to the Administrative Agent within one hour of receipt of such notice from the Administrative Agent; provided that if the Advance Notice is received by the Administrative Agent after 12:00 Noon on the Advance Notice Date, each Lender shall make its advance amount available by wire transfer no later than 10:00 A.M. the next morning. Such wire transfer shall be directed to the Administrative Agent at the Administrative Agent's Office and shall be in the form of Same Day Funds in Dollars. The amount so received by the Administrative Agent shall, subject to the terms and conditions of this Agreement, be made available to the Borrower by delivery of the proceeds thereof as shall be directed in writing by the Responsible Officer of the Borrower and reasonably acceptable to the Administrative Agent. The initial Borrowing of the increased amount of the Term Loan shall be a single Base Rate Segment, subject to Conversion after the Advance Notice Date in accordance

with a Term Loan Interest Rate Selection Notice delivered on the Advance Notice Date pursuant to Section 4.01(a) of the Credit Agreement (or, if a Term Loan Interest Rate Selection Notice is not delivered on the Advance Notice Date, thereafter in accordance with Section 2.03 of the Credit Agreement).

(d) The parties hereto agree that upon being advanced, the additional amounts shall be part of the "Term Loan" and the "Term Loan Facility" under the Credit Agreement, without regard to any effect the advance thereof after the Closing Date might otherwise have on the terms or interpretation of the provisions of the Credit Agreement.

5. Consent of the Guarantors. Each Guarantor hereby consents, acknowledges and agrees to the amendments, consents and waivers set forth herein and hereby confirms and ratifies in all respects the Guaranty to which such Guarantor is a party (including without limitation the continuation of such Guarantor's payment and performance obligations thereunder upon and after the effectiveness of this Agreement and the amendments, waivers and consents contemplated hereby) and the enforceability of such Guaranty against such Guarantor in accordance with its terms.

6. Representations and Warranties. In order to induce the Administrative Agent and the Lenders to enter into this Agreement, the Borrower represents and warrants to the Administrative Agent and the Lenders as follows:

(a) The representations and warranties made by the Borrower in Article V of the Credit Agreement and in each of the other Loan Documents to which it is a party are true and correct in all material respects on and as of the date hereof, including after giving effect to the Proposed Acquisition, except (i) to the extent that such representations and warranties expressly relate to an earlier date, and (ii) the representations and warranties contained in the IP Security Agreement that refer to Schedule I, II or III to the IP Security Agreement related to such schedules without giving effect to the acquisition of any of the Intropack IP;

(b) Since the date of the most recent financial reports of the Borrower delivered pursuant to Section 4.01(a)(ix) or Section 6.01 of the Credit Agreement, as applicable, no act, event, condition or circumstance has occurred or arisen which, singly or in the aggregate with one or more other acts, events, occurrences or conditions (whenever occurring or arising), has had or could reasonably be expected to have a Material Adverse Effect;

(c) The Persons appearing as Guarantors on the signature pages to this Agreement constitute all Persons who are required to be Guarantors pursuant to the terms of the Credit Agreement and the other Loan Documents, including without limitation all Persons who became Subsidiaries or were otherwise required to become Guarantors after the Closing Date, and each of such Persons has become and remains a party to a Guaranty as a Guarantor;

(d) This Agreement has been duly authorized, executed and delivered by the Borrower and Guarantors party hereto and constitutes a legal, valid and binding

obligation of such parties, except as may be limited by general principles of equity or by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally; and

(e) After giving effect to this Agreement, no Default or Event of Default has occurred and is continuing.

7. Entire Agreement. This Agreement, together with all the Loan Documents (collectively, the "Relevant Documents"), sets forth the entire understanding and agreement of the parties hereto in relation to the subject matter hereof and supersedes any prior negotiations and agreements among the parties relating to such subject matter. No promise, condition, representation or warranty, express or implied, not set forth in the Relevant Documents shall bind any party hereto, and no such party has relied on any such promise, condition, representation or warranty. Each of the parties hereto acknowledges that, except as otherwise expressly stated in the Relevant Documents, no representations, warranties or commitments, express or implied, have been made by any party to the other. None of the terms or conditions of this Agreement may be changed, modified, waived or canceled orally or otherwise, except in writing and in accordance with Section 10.01 of the Credit Agreement.

8. Full Force and Effect of Agreement. Except as hereby specifically amended, modified or supplemented, the Credit Agreement and all other Loan Documents are hereby confirmed and ratified in all respects and shall be and remain in full force and effect according to their respective terms.

9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

10. Governing Law. This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed and to be performed entirely within such State, and shall be further subject to the provisions of Sections 10.16(b) and 10.17 of the Credit Agreement.

11. Enforceability. Should any one or more of the provisions of this Agreement be determined to be illegal or unenforceable as to one or more of the parties hereto, all other provisions nevertheless shall remain effective and binding on the parties hereto.

12. References. All references in any of the Loan Documents to the "Credit Agreement" shall mean the Credit Agreement, as amended hereby.

13. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and each of the Guarantors and Lenders, and their respective successors, legal representatives, and assignees to the extent such assignees are permitted assignees as provided in Section 10.07 of the Credit Agreement.

[SIGNATURE PAGES FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be made, executed and delivered by their duly authorized officers as of the day and year first above written.

BORROWER:

JARDEN CORPORATION (successor by name change to Alltrista Corporation)

By: /s/ Desiree DeStefano

Name: Desiree DeStefano
Title: Vice President

GUARANTORS:

HEARTHMARK, INC., an Indiana corporation
ALLTRISTA PLASTICS CORPORATION, an Indiana corporation
ALLTRISTA NEWCO CORPORATION, an Indiana corporation
UNIMARK PLASTICS, INC., a Pennsylvania corporation
TRIENDA CORPORATION (F/K/A TRIENDA NEWCO, INC.), an Indiana corporation
TILIA, INC. (successor by name change to Alltrista Acquisition I, Inc.), a Delaware corporation
TILIA DIRECT, INC. (successor by name change to Alltrista Acquisition II, Inc.), a Delaware corporation
TILIA INTERNATIONAL, INC. (successor by name change to Alltrista Acquisition III, Inc.), a Delaware corporation

By: /s/ Desiree DeStefano

Name: Desiree DeStefano
Title: Vice President

ALLTRISTA ZINC PRODUCTS, L.P., an Indiana limited partnership
By: Alltrista Newco Corporation, a Indiana corporation, its general partner

By: /s/ Desiree DeStefano

Name: Desiree DeStefano
Title: Vice President

QUOIN CORPORATION, a Delaware corporation

By: /s/ Ian G.H. Ashken

Name: Ian G. H. Ashken
Title: Treasurer

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

By: /s/ Igor Suica

Name: Igor Suica

Title: Vice President

LENDERS:

BANK OF AMERICA, N.A., as a Lender, L/C Issuer
and Swing Line Lender

By: /s/ Igor Suica

Name: Igor Suica

Title: Vice President

CIBC INC.

By: /s/ Dean J. Decker

Name: Dean J. Decker

Title: Managing Director

NATIONAL CITY BANK OF INDIANA

By: /s/ David G. McNeely

Name: David G. McNeely

Title: Assistant Vice President

THE BANK OF NEW YORK

By: /s/ Maurice A. Campbell

Name: Maurice A. Campbell

Title: Assistant Vice President

FLEET NATIONAL BANK

By: /s/ W. Lincoln Schoff, Jr.

Name: W. Lincoln Schoff, Jr.

Title: Senior Vice President

HARRIS TRUST AND SAVINGS BANK

By: /s/ Kirby M. Law

Name: Kirby M. Law

Title: Vice President

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Daniel R. Kraus

Name: Daniel R. Kraus

Title: Assistant Vice President

ALLFIRST BANK

By: /s/ Terence S. Dougherty

Name: Terence S. Dougherty

Title: Officer, Senior Credit Analyst

TRANSAMERICA BUSINESS CAPITAL CORPORATION

By: /s/ Stephen K. Goetschius

Name: Stephen K. Goetschius

Title: Senior Vice President

UNION FEDERAL BANK OF INDIANAPOLIS

By: /s/ Julia Schneider

Name: Julia Schneider

Title: Commercial Loan Officer

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re	:	Chapter 11
Diamond Brands Operating Corp., et al.,	:	Case No. 01-1825 (RJN)
Debtors.	:	Jointly Administered

TECHNICAL MODIFICATIONS TO JOINT PLAN OF REORGANIZATION

The Joint Plan of Reorganization of Diamond Brands Operating Corp. and its Debtor Affiliates Proposed by the Debtors and Jarden Corporation (the "Plan"), and the Asset Purchase Agreement annexed to the Plan (the "Purchase Agreement") are hereby modified by these Modifications dated as of January 29, 2003 (the "Modifications") by the above-captioned debtors and debtors-in-possession (the "Debtors"),(1) pursuant to section 1127(a) of the Bankruptcy Code, Rule 3019 of the Bankruptcy Rules, and Section 11.4 of the Plan, as follows:

(1) Capitalized terms not otherwise defined herein have the meanings given to them in the Plan.

1. The Definition of "ADDITIONAL CONSIDERATION" in Article I of the Plan and Section 1.1 of the Purchase Agreement is amended and restated in its entirety as follows:

"ADDITIONAL CONSIDERATION" means, at the Purchaser's(2) election, (i) $6,000,000 in cash payable by wire transfer of immediately available funds or (ii) freely tradeable shares of the Jarden Corporation's Common Stock with an aggregate Fair Market Value of $6,000,000 as of the date of delivery, which shares prior to their issuance shall be listed for trading on the New York Stock Exchange like all other shares of Jarden Corporation, and either: (a) registered for resale under the Securities Act of 1933, or (b) exempt from registration under the Securities Act of 1933, as amended, and state securities laws and Blue Sky laws, pursuant to Section 1145 of the Bankruptcy Code, and Purchaser shall have received a "No-Action Letter" from the Division of Corporate Finance (the "Division") of the Securities and Exchange Commission (the "SEC") to the effect that the Division will not recommend enforcement action to the SEC because (1) the Purchaser issued such shares pursuant to the Plan without registration under the Securities Act of 1933; or (2) such shares are resold without registration under the Securities Act of 1933 by selling security holders who are neither affiliates of Purchaser nor underwriters within the meaning of section 1145(b)(1) of the Bankruptcy Code, and the certificates representing such shares shall not contain a legend indicating the existence of restrictions on the resale of such shares.

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(2) The term "Purchaser" is used synonymously with the term "Buyer" in the Purchase Agreement for purposes of the Modifications.

2. The Definition of "DBI INTERESTS" in Article I of the Plan is amended and restated in its entirety as follows:

"DBI INTERESTS" means the common stock of Diamond Brands Incorporated, together with any other options, warrants, conversion rights, rights of first refusal, or other rights, contractual or otherwise, to acquire or receive any common or preferred stock or other equity interest in DBI, and any contracts, subscriptions, commitments or agreements pursuant to which a party was or could have been entitled to receive shares, securities, or other ownership interests in DBI.

3. The Definition of "OLD INDENTURES" in Article I of the Plan is amended and restated in its entirety as follows:

"OLD INDENTURES" means (a) the Indenture, dated as of April 21, 1998, between Diamond Brands Operating Corp. and State Street Bank and Trust Company, as Indenture Trustee for the 10 1/8% Senior Subordinated Notes due 2008 issued by DBOC; and (b) the Indenture, dated as of April 21, 1998, between Diamond Brands, Inc. and State Street Bank and Trust Company, as predecessor Indenture Trustee, pursuant to which HSBC Bank USA is the successor Indenture Trustee for the 12 7/8% Senior Discount Notes due 2009 issued by DBI.

4. The Definition of "PLAN ADMINISTRATOR" in Article I of the Plan is amended and restated in its entirety as follows:

"PLAN ADMINISTRATOR" means the person designated by the Debtors and the Creditors' Committee prior to the Confirmation Date and approved by the Bankruptcy Court pursuant to the Confirmation Order to administer the Plan (and, as appropriate, serve as liquidating

trustee for any of the Reorganized Debtors) in accordance with the terms of the Plan and the Plan Administrator Agreement and to take such other actions as may be authorized under the Plan Administration Agreement, and any successor thereto.

5. The Definition of "REORGANIZED DEBTOR(S)" in Article I of the Plan is amended and restated in its entirety as follows:

"REORGANIZED DEBTOR(S)" means, individually, any Reorganized Debtor (and any successor thereto, including, without limitation, any liquidating trust or similar liquidating vehicle established with respect to the Debtors, excluding Jarden Corporation) and, collectively, all Reorganized Debtors, on or after the Effective Date.

6. The Definition of "SHARING PERCENTAGE" in Article I of the Plan is amended and restated in its entirety as follows:

"SHARING PERCENTAGE" means 50% of Allowed Administrative Claims paid after the date of the Purchase Agreement in Cash by the Purchaser at Closing to the Debtors in excess of $3,000,000 but only up to $4,700,000; provided, however, that (a) any such amounts not used by the Debtors or the Reorganized Debtors within fifteen (15) months after Closing shall be returned to the Purchaser and (b) the Debtors or Reorganized Debtors will provide the Purchaser with a monthly accounting by the fifth day of each month that indicates (i) the identity of the holder of the Administrative Claim paid; (ii) the date such Administrative Claim is paid; and (iii) the method of such payment.

7. Section 4.2(a) of the Plan is amended and restated in its entirety as follows:

The Purchase Price will be distributed as follows:

(a) CASH CONSIDERATION

After the Debtors have used all of their Cash at Closing to reduce their outstanding obligations under the DIP Loan Agreement, the Cash Consideration will be paid directly to the DIP Lenders to the extent of the Debtors' remaining outstanding indebtedness obligations, including all fees, expenses, and charges as set forth in the DIP Loan Agreement, but excluding all accrued interest (which interest will be paid from the Debtors' Cash). Any remaining Cash Consideration will be paid to the Debtors which will make all payments (including the setting aside of reserves to pay Disputed Claims and Allowed Claims which are to be paid after the Effective Date) required to be made under this Plan by the Debtors or the Disbursing Agent. On the Effective Date, the Interest Rate Swap Agreement shall be terminated as of the close of the market on the Effective Date, and the Purchaser shall pay all amounts owing under and in connection with the Interest Rate Swap Agreement (provided that the Termination Amount as defined in the Interest Rate Swap Agreement shall be determined as follows: (i) prior to the Confirmation Date, the Purchaser and Wells Fargo Bank, National Association shall select five (5) national leading commercial banks (the "Confirmation Banks") which each shall be directed to provide the parties with the Termination Amount as of the close of the market (12:00 noon, Pacific Standard Time) on the Effective Date, (ii) the highest and lowest figures provided by the Confirmation Banks shall be disregarded, and the remaining three figures shall be averaged, (iii) the average of the three remaining figures provided by the Confirmation Banks as provided in (ii) herein shall be conclusively accepted by the parties as the Termination Amount to be paid by Purchaser), including fees, expenses and charges, including legal expenses.

8. Section 4.4 of the Plan is amended and restated in its entirety as follows:

SECTION 4.4 CONTINUED CORPORATE EXISTENCE

Subject to the provisions of Section 4.1 of this Plan, and the Restructuring Transactions contemplated in Section 4.7 of this Plan, the Reorganized Debtors shall continue to exist after the Effective Date as separate corporate entities, in accordance with the applicable law in the respective jurisdictions in which they are incorporated and pursuant to their respective certificates or articles of incorporation and by-laws in effect prior to the Effective Date, except to the extent such certificates or articles of incorporation and by-laws are amended by the Plan or the Purchase Agreement, for the limited purposes of (a) distributing all of the assets of the Debtors' Estates that are not Acquired Assets or Acquired Product Lines and (b) providing the Purchaser with transition service pursuant to section 8.7 of the Purchase Agreement. As soon as practicable after the Plan Administrator exhausts the assets of the Debtors' Estates by making the final distribution of Cash under this Plan and the Plan Administrator Agreement, the Plan Administrator shall (a) effectuate the dissolution of each Reorganized Debtor in accordance with the laws of the state of its incorporation and (b) resign as the sole officer and sole director of each Reorganized Debtor. Notwithstanding the foregoing, the Plan Administrator shall not effectuate such dissolution of the Reorganized Debtors before the earlier of (a) such time the Reorganized Debtors satisfy any obligations under section 8.7 to provide the Purchaser with transition service and (b) one year after the Closing. Notwithstanding the foregoing, the Reorganized Debtors may be dissolved for tax purposes and form liquidating trusts or similar vehicles.

9. Section 7.3(c) of the Plan is amended and restated in its entirety as follows:

On the Effective Date, the distributions to be made under the Plan to holders of Old Note Claims shall be made to the respective Indenture Trustee, or where appropriate, to the Plan Administrator. Distributions to holders of Old Note Claims shall be made by the respec-

tive Indenture Trustees (or, where appropriate, by the Plan Administrator), subject to the right of each Indenture Trustee to assert its Charging Lien against such distributions. All payments to holders of Old Note Claims shall only be made to such holders after the surrender by each such holder of the Old Note certificates representing such Old Note Claim, or in the event that such certificate is lost, stolen, mutilated or destroyed, upon the holder's compliance with the requirements set forth in Section 7.7(b). Upon surrender of such Old Note certificates, the Indenture Trustees (or, where appropriate, the Plan Administrator) shall cancel and destroy the pertinent Old Notes. As soon as practicable after surrender of the Old Note certificates evidencing Old Note Claims, the respective Indenture Trustees (or, where appropriate, the Plan Administrator) shall distribute to the holder thereof such holder's Pro Rata share of the distribution, but subject to the rights of each Indenture Trustee to assert its Charging Lien against such distribution. Upon full satisfaction of each of the Indenture Trustee's Fees, the pertinent Indenture Trustee's Charging Lien shall be released. Nothing herein shall be deemed to impair, waive or discharge either Indenture Trustee's Charging Lien for any unpaid fees and expenses. To the extent that either Indenture Trustee provides services related to distributions pursuant to the Plan, such Indenture Trustee will receive from the Reorganized Debtors, without further court approval, reasonable compensation for such services and reimbursement of reasonable expenses incurred in connection with such services. These payments will be made on terms agreed to between the pertinent Indenture Trustee and the Reorganized Debtors.

With respect to the Additional Consideration, with the consent of the Plan Committee, any securities distributed by the Purchaser may, subsequent to their distribution, be liquidated by the Plan Administrator into Cash and distributed in lieu of such securities in the discretion of the Plan Administrator.

10. The Plan is amended and restated to include the addition of Section 7.3(d) as follows:

Notwithstanding any other provision of the Plan or the Plan Administrator Agreement, the Plan Administrator (a) shall have no obligation to make distributions or payments of fractions of dollars, and whenever any payment of a fraction of a dollar under the Plan would otherwise be called for, the actual payment made shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down and (b) except as specifically required otherwise in any order of the Bankruptcy Court, shall have no obligation to make a distribution on account of an Allowed Claim from any reserve or account (i) to any hodler of an Allowed Claim if the aggregate amount of all distributions authorized to be made from all such Reserves or accounts on the Quarterly Distribution Date in question is less than $250,000, in which case such distributions shall be deferred to the next Quarterly Distribution Date, or (ii) to a specific holder of an Allowed Claim if the amount to be distributed to that holder on the particular Distribution Date is less than $50.00, unless such distribution constitutes the final distribution to such holder.

11. Section 7.9 of the Purchase Agreement is amended and restated in its entirety as follows:

7.9 EXCLUDED REAL PROPERTY

The Debtors agree that the covenants contained in Section 7.1 hereof shall apply to the Excluded Real Property. The Debtors further agree that the Buyer shall have the right to cause the Debtors to dispose of the Excluded Real Property on or prior to four (4) months (the "Gap Period") after the Closing and to control all aspects of such disposition including, without limitation, (i) the hiring of real estate brokers, (ii) the negotiation of price and other terms of sale for any parcel of the Excluded Real Property, and (iii) directing a donation of any parcel of the Excluded Real Property. Any proceeds received by the Debtors in connection with the disposition of any of the Excluded Real Property whether by sale, condemnation or

otherwise and whether received prior to or after the Closing, shall be Acquired Assets for all purposes of this Agreement. At the Buyer's direction, the Debtors will promptly execute any documents the Buyer reasonably requests to effectuate the disposition of the Excluded Real Property, including, without limiation, purchase and sale agreements, deeds, transfer declarations and closing statement. In addition, the Debtors shall obtain all necessary sale orders from the Bankruptcy Court to effectuate such dispositions of the Excluded Real Property. If on or prior to four (4) months after the Closing (the "Subject Date") the Excluded Real Property is not disposed of pursuant to this Agreement, at the Debtors' request, the Buyer shall take title to the Excluded Real Property within ten (10) Business Days of the Subject Date. The Buyer shall use commercially reasonable efforts to cause the Reorganized Debtors to dispose of the Excluded Real Property on or prior to the Subject Date, and the Reorganized Debtors shall use reasonable cooperation with the Buyer with respect to these efforts.

With respect to the Gap Period, the Debtors and the Buyer shall enter into agreements (including, without limitation, leases) on or prior to Closing which provide that the Buyer shall be liable for all taxes, insurance, day to day operations and shutdown costs, and liabilities (including, without limitation, environmental liabilities) with respect to the Excluded Real Property during the Gap Period, but only to the extent such liabilities are incurred and arise during the Gap Period. In addition, the Buyer shall assume all wages and wage equivalents (including severance obligations, if any) with respect to employees employed by the Buyer at the Excluded Real Property locations.

12. Section 11.20(a) of the Plan is amended and restated in its entirety as follows:

11.20 TERMINATION OF LITIGATION

(a) Interest Rate Swap Agreement Adversary Proceeding.

As of the Effective Date, the Confirmation Order shall constitute a final, non-appealable judgment in favor of Wells Fargo Bank, N.A. in the adversary proceeding commenced by Wells Fargo against DBOC seeking reformation of that certain Interest Rate Swap Agreement dated May 7, 1998 (Adversary Case No. 01-8981). This Plan operates to dismiss with prejudice on the Effective Date all Claims, complaints, objections, litigation and Causes of Action against Wells Fargo Bank, N.A., and the other Lenders arising out of or related to the Interest Rate Swap Agreement.

13. All references to schedule 2.1.1.5 in Sections 6.1(a), 6.2 and 6.3 of the Plan shall be modified by Exhibit A to the Debtors' Motion for Order Approving the Form and Manner of Notice of the Proposed

Assumptions and Proposed Cure Amounts, filed on December 30, 2002.

Dated: Wilmington, Delaware
January 29, 2003

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FOR IMMEDIATE RELEASE
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JARDEN COMPLETES DIAMOND BRANDS ACQUISITION

RYE, NEW YORK - FEBRUARY 7, 2003 - JARDEN CORPORATION (NYSE:JAH) today announced it has completed its acquisition of the business assets and certain liabilities of Diamond Brands Operating Corp. and its affiliates ("Diamond Brands") for a purchase price of $108 million. The purchase price net of cash on hand at Diamond Brands was approximately $90 million. The acquisition was financed using cash-on-hand and a drawdown on Jarden's existing revolving credit facility. The acquisition will increase Jarden's annualized revenue base to more than $500 million.

Martin E. Franklin, Chairman and Chief Executive Officer, said, "This immediately accretive acquisition brings the market leading Diamond Brands(R) and Forster(R) brands into our established portfolio of branded consumable products. As a result of the transaction, more than 90% of our total revenue will now be consumer products related."

Diamond Brands, based in Cloquet, MN, employs approximately 600 people and is a leading manufacturer and marketer of niche consumer products for use in the home including kitchen matches, toothpicks, plastic cutlery, straws, clothespins and wooden crafts, sold primarily under the Diamond Brands(R) and Forster(R) trademarks.

Mr. Franklin continued, "The Diamond Brands acquisition will allow us to further integrate our distribution channels, thereby strengthening our relationships with our retail customers. We believe there are significant opportunities to expand the base business and introduce new products under the Diamond Brands(R) name in the future."

Jarden Corporation is a leading provider of niche consumer products used in the home under leading brand names including Ball(R), Bernardin(R), Diamond Brands(R), FoodSaver(R), Forster(R) and Kerr(R). In North America, Jarden is the market leader in several niche categories, including home canning, home vacuum packaging, kitchen matches, plastic cutlery and toothpicks. Jarden also manufactures a wide array of plastic products for third party consumer product and medical companies, as well as its own businesses.

Note: This news release contains "forward-looking statements" within the meaning of the federal securities laws and is intended to qualify for the Safe Harbor from liability established by the Private Securities Litigation Reform Act of 1995, including statements regarding the outlook for Jarden's markets and the demand for its products. These projections and statements are based on management's estimates and assumptions with respect to future events and financial performance and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results could differ materially from those projected as a result of certain factors. A discussion of factors that could cause results to vary is included in the Company's periodic and other reports filed with the Securities and Exchange Commission.

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