

SIGNED + SCANNED
FOR PATENT # 5,875,946
3/2/99

**AGREEMENT FOR SALE OF BUSINESS ASSETS
OF
KNU-PAC**

This Agreement is made on , 2008, between , Eric and Constance Knudsen , PO 792096, Paia, HI 96779, Sellers, of Knu-Pac Portaging Systems, dba as Knudsen Enterprises in Lee, State of Massachusetts and Modacad LLC, Buyer, of 82 West Shore Drive, Pennington, NJ 08534.

The Seller now owns and conducts a manufacturing business, under the name of Knu-Pac Portaging Systems. The inventory and records of this business are located at 775 Tyringham Rd, Lee, MA 01238.

For valuable consideration, the Seller agrees to sell and the Buyer agrees to buy certain assets of this business for the following price and on the following terms:

1. The Seller will sell to the Buyer certain assets of the business as listed on Exhibit A, hereby incorporated by reference, which is attached and is a part of this agreement. The assets will be transferred free from all liabilities, claims, and indebtedness, unless listed on Exhibit A.

2. The Buyer agrees to pay the Seller the sum of \$10,000.00 which the Seller agrees to accept as full payment.

3. The purchase price will be paid as follows:

Cash payment \$ 10,000.00 (Due on Closing)

TOTAL PRICE \$ 10,000.00

4. The Seller acknowledges that no Earnest money deposit is required from the Buyer.

5. The Buyer and Seller agree that the \$10,000 purchase price shall be held in escrow by Buyer's attorney Miller Porter Muller and Gaynor, One Palmer Square, Suite 540, Princeton, NJ 08542 and released to Seller upon written notification from Buyer that he has taken possession of the items listed on Exhibit A and that all terms of the agreement have been satisfied including the assignment of title to the domain name, patent and injection mold. If the Buyer is not satisfied after examining the items listed on Exhibit A or if any of the terms of this agreement have not been met, Buyer may cancel this agreement and the \$10,000 shall be returned to Buyer.

6. This agreement will close after the Buyer has taken possession of the inventory and records from the Knudsen's home in Lee, MA, examined the contents of the boxes and received confirmation of transfer of ownership of the patent, injection mold and domain name.

At that time the Seller will deliver to Buyer the following:

(a) A Bill of Sale for all business property associated with Knu-Pac Portaging Systems (including inventory).

(b) All other documents of transfer as listed below:

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(i) Title to all patents and prototypes in the name of Knu-Pac Portaging Systems

(ii) Title to all domain names held by Seller (which shall be assigned to Buyer)

(iii) Title to all injection molds, welding supplies, professional videos created for the product and held by Seller

(iv) A list of suppliers and customers, production records, financial records and other records relating to the business of Seller

(v) All material documents dealing with advertising or marketing of the company including print advertisements, promotional articles and reviews, names of sponsorships, marketing alliances and addresses for direct mailings.

(c) The following inventory (agreed by Buyer and Seller to be approximate):

Twenty (20) Ez-Tripper side loader

Two hundred twenty (220) Ez-T Framesheet Suspensions

Two (2) Portaging Frames (to be kept as production samples)

Fifty (50) portaging cradle sets, spare hip belts and shoulder strap assemblies

Various small parts (pins, rings, grommets, webbing, etc)

Numerous production prototypes

7. Upon receipt of all items listed in #6 above, if Buyer is satisfied that all terms of the agreement have been satisfied including the assignment of title to the domain name, patent and injection mold, Buyer shall notify his attorney to release the escrowed funds.

8. The Seller represents and warrants that it is in full compliance with and is not in violation of any laws or regulations affecting the Seller's business.

9. Seller represents that it has good and marketable title to all of the assets shown on Exhibit A, and that those assets are free and clear of any restrictions on transfer, claims, taxes, indebtedness, or liabilities except those specified on the Exhibit A. Seller also warrants that all equipment will be delivered in working order on the date of closing.

10. Seller represents and warrants that no proceedings, judgments, or liens are now pending or threatened against Seller or against the business.

11. Between the date of this Agreement and the date of closing of the Sale, the Seller agrees to carry on the business in the usual manner and agrees not to enter into any unusual contract or other agreement affecting the business assets being sold without the consent of the Buyer.

12. The Buyer represents that it is financially capable of completing the purchase of these business assets and fully understands its obligations under this Agreement.

13. Seller shall not engage in a business similar to that involved in this transaction in any capacity, directly or indirectly, within sixty miles, or on the internet, for a period of five (5) years from the date of closing.

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14. No modification of this Agreement will be effective unless it is in writing and is signed by both the Buyer and Seller. This Agreement binds and benefits both the Buyer and Seller and any successors. Time is of the essence of this agreement. This document, including any attachments, is the entire agreement between the Buyer and Seller. This Agreement is governed by the laws of the State of New Jersey.

15. Seller shall indemnify buyer for, and hold buyer harmless from and against, any and all actions, suits, proceedings, demands, judgments, losses, liabilities, obligations, damages, deficiencies, penalties, costs, and expenses, including, without limitation, reasonable attorney's fees and disbursements, which buyer may incur as a result of any breach of warranty by seller. As a condition precedent to the right of indemnity under this agreement, buyers shall give notice in writing to seller, as soon as practicable, of any claim for which indemnity would or could be sought under this agreement. Such notice shall be directed to the attention of _____ . With respect to any claim of which seller is so notified: (i) seller shall be entitled to participate therein at its own expense; and (ii) seller shall be entitled to assume the defense thereof at its own expense, with legal counsel reasonably acceptable to buyer. Disputes arising between buyer and seller under this paragraph shall be settled by arbitration in accordance with the rules of the American Arbitration Association.

16. Seller shall indemnify buyer for, and hold buyer harmless from and against, any and all actions, suits, proceedings, demands, judgments, losses, liabilities, obligations, damages, deficiencies, penalties, costs, and expenses, including, without limitation, reasonable attorney's fees and disbursements, which buyer may incur as a result of any misrepresentation by seller or any nonperformance or nonfulfillment of this agreement by seller. Each party to this agreement shall cooperate with the other party in defending claims for which the other party is or may be liable under this provision by giving notice to the other party of the assertion or existence of any such claim and by furnishing any documents and information useful in defense of such a claim.

17. If, except as otherwise provided in this agreement, either party shall be prevented from completing the sale for any cause beyond its reasonable power and control, the other party may elect to accept partial performance or, in lieu of any other remedy, elect to terminate this agreement.

18. Attached hereto is Exhibit B incorporated herein by reference.

Dated: 4/24/2008, 2008

Knudsen Enterprises

By: Eric Knudsen 4/24/08

Signature of Seller (Eric Knudsen)

By: Constance Knudsen 4/24/08

Signature of Seller (Constance Knudsen)

Modacad, I.I.C

By: 

Signature of Buyer (Nick Hayes)

Exhibit A

1. Title to all patents and prototypes in the name of Knu-Pac Portaging Systems. The Patent will require renewal by Buyer. The Seller will pay for Assignment of Patent to Buyer.
2. Title to all domain names held by Seller (which shall be assigned to Buyer).
3. Title to all injection molds, welding supplies, professional videos created for the product
4. A list of suppliers and customers , production records, financial records and other records relating to the business of Seller
5. All material documents dealing with advertising or marketing of the company including print advertisements, promotional articles and reviews, names of sponsorships, marketing alliances and addresses for direct mailings and
6. The following inventory (agreed by Buyer and Seller to be approximate):

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Numerous production prototypes

EXHIBIT B

Bill of Sale

And

Assignment of All Property Rights

This Bill of Sale and Assignment of All Property Rights is made on , 2008 between Eric and Constance Knudsen, PO 792096, Pala, HI 96779 and Modacad, LLC of 82 West Shore Drive, Pennington, NJ 08534.

In exchange for the payment of Ten Thousand Dollars (\$10,000.00) that has been received, the Seller sells, assigns and transfers all of its rights, title and interest in the owning and operation of a manufacturing business, including intellectual property rights, known as Knu-Pac Portaging Systems. No other facilities or operations are a part on this agreement.

The following Goods represent a list of the physical items transferred by this sale:

N/A

1. Title to all patents and prototypes in the name of Knu-Pac Portaging Systems
2. Title to all domain names held by Seller (which shall be assigned to Buyer)
3. Title to all injection molds, welding supplies, professional videos created for the product
4. A list of suppliers and customers, production records, financial records and other records relating to the business of Seller
5. All material documents dealing with advertising or marketing of the company including print advertisements, promotional articles and reviews, names of sponsorships, marketing alliances and addresses for direct mailings and

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Numerous production prototypes

The Seller warrants that it owns the manufacturing business and that it has the authority to sell the business to the Buyer. The Seller further warrants that the business is free and clear of all liens, indebtedness, or liabilities except that listed in Exhibit A of Agreement of Sale. The Seller also warrants that all of the items transferred are in good working condition as of the date transferred.

The Seller warrants that it has the right to transfer title to the patent, domain name and injection molds. The Seller warrants that it will do everything required by law to perfect the transfer of all intellectual property and hereby agrees it will cooperate in all aspects to expeditiously facilitate such transfer. The Seller hereby grants Buyer a Power of Attorney to sign all papers on Seller's behalf necessary to facilitate the transfer.

Understood, Agreed & Approved

We have carefully reviewed this Bill of Sale contract and agree to and accept all of its terms and conditions. We are executing this Bill of Sale as of the Effective Date above.

Seller:

Knudsen Enterprises

By: Eric Knudsen 5/6/08

Eric Knudsen

By: Constance Knudsen 5/6/08

Nita Knudsen

Buyer: Modacord, LLC

By: 

Nick Hayes