

# PATENT ASSIGNMENT

Electronic Version v1.1  
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<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	ASSIGNMENT
<b>CONVEYING PARTY DATA</b>	
<b>Name</b>	<b>Execution Date</b>
Basofil Fibers, LLC	07/20/2011
<b>RECEIVING PARTY DATA</b>	
<b>Name:</b>	Basofil Technologies, LLC
<b>Street Address:</b>	1724 9th Avenue NW
<b>City:</b>	Hickory
<b>State/Country:</b>	NORTH CAROLINA
<b>Postal Code:</b>	28601
<b>PROPERTY NUMBERS Total: 1</b>	
<b>Property Type</b>	<b>Number</b>
Patent Number:	7259117
<b>CORRESPONDENCE DATA</b>	
<b>Fax Number:</b>	(252)977-0600
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
<b>Phone:</b>	252-977-0700
<b>Email:</b>	sgibson@gibsonlaw.net
<b>Correspondent Name:</b>	T. Stewart Gibson
<b>Address Line 1:</b>	1701 Sunset Avenue, Suite 100
<b>Address Line 4:</b>	Rocky Mount, NORTH CAROLINA 27804
<b>NAME OF SUBMITTER:</b>	T. Stewart Gibson
<b>Total Attachments: 3</b> source=SALE AND TRANSFER AGREEMENT - Technologies 7-25-11#page1.tif source=SALE AND TRANSFER AGREEMENT - Technologies 7-25-11#page2.tif source=SALE AND TRANSFER AGREEMENT - Technologies 7-25-11#page3.tif	

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**PATENT**  
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## SALE AND TRANSFER AGREEMENT

THIS SALE AND TRANSFER AGREEMENT ("Agreement") made this 20<sup>th</sup> day of July, 2011 by and between Sumlin Holdings, Inc., a North Carolina corporation ("Sumlin") and Basofil Fibers, LLC, a North Carolina limited liability company ("Fibers") and Sumlin Technologies, LLC ("Technologies") and David R. Clark ("Clark").

### RECITALS:

1. Fibers is a wholly owned subsidiary of Sumlin.
2. Fibers is principally a raw material manufacturer that manufactures and sells patented fibers under the "Basofil®" trademark from its plant site in Enka, North Carolina.
3. Fibers is indebted to Sumlin as evidenced by a certain Note in the original amount of \$2.8 million dated March 31, 2006, and a Note in the original amount of \$3 million dated November 1, 2006, both Notes issued by Basofil Technologies, LLC (assumed by Fibers pursuant to a merger with Basofil Technologies, LLC *et al*), and a certain Revolving Credit Note in the original amount of \$15 million issued by Fibers dated September 1, 2008, which Notes have substantial aggregate outstanding interest payments due Sumlin in excess of \$1,000,000 (the "Accrued Interest").
4. Sumlin is willing to provide the consideration to purchase the Hi Loft Patent (hereinafter defined) from Fibers by a release of a portion of the Accrued Interest.
5. Fibers agrees to assign the Hi Loft Patent to Technologies.

NOW, THEREFORE, in consideration of the foregoing and the respective representations evidence and agreements contained herein and intending to be legally bound hereby, the parties hereto agree as follows:

1. Transfer of IP. Effective as of the date hereof, Fibers does hereby assign and transfer all of its right, title and interest in the Hi Loft Patent to Technologies.

For purposes herein, the "Hi Loft Patent" shall mean patent 7,259,117 registered in the United States Patent and Trademark Office, including reissues, divisions, continuations and extensions, and all rights of action arising from the patent, and all claims for damages by reason of infringement and rights to sue therefor, and all licenses and royalty agreements that are assignable and follow the conveyance thereof.

2. Structure of Transaction. It is the intent of the parties that the structure of the transaction be deemed a compensatory payment of \$100,000 by Sumlin to Clark and a transfer thereof by Clark to Technologies which in turn is deemed to purchase of Hi Loft Patent from Fibers. As consideration for the sale and exchange between Technologies and Fibers, Sumlin forgives and releases an amount equal to \$100,000 of the Accrued Interest, to be applied first against the earliest accrual, under the aforementioned Notes due from Fibers to Sumlin.

3. Liens. Conveyance of the Hi Loft Patent is subject to (i) the lien of Branch Banking and Trust Company as evidenced by UCC Financing Statement 20090009471C, and (ii) the Security Agreement in favor of Branch Banking and Trust Company recorded February 6, 2009 with the United States Patent and Trademark Office (Docket Number 4407313-0050) ("BB&T Liens"). Fibers agrees to indemnify and hold harmless Technologies from the BB&T Liens with respect to the Hi Loft Patent.

4. Miscellaneous

4.1 Successors and Assigns. This Agreement shall be binding upon and inure to benefit of the parties hereto and their successors and assigns.

4.2 Governing Law. This Agreement shall be governed by, construed in accordance and enforced with the laws of the State of North Carolina.

4.3 Entire Agreement. This Agreement contains the entire understanding among the parties relating to the transactions referred to herein and supersedes any prior written or oral agreement among them respecting the subject matter of this Agreement. There are no representations, agreements, arrangements, or understandings, oral or written, among the parties hereto relating to the subject matter of this Agreement that are not fully expressed herein or therein.

4.4 Amendments. Any amendments to this Agreement shall be in writing signed by all parties.

4.5 Further Documents. Each party at any time hereafter will execute and deliver, or cause to be executed and delivered, such assignments, certificates, documents and agreements as may reasonably be requested by another party in order to implement the transactions contemplated by this Agreement, and to evidence and confirm the transfer of the Alessandra Intellectual Property to Sumlin.

4.6 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

[Signature Page Attached]

IN WITNESS WHEREOF, the parties, by authority duly given, have executed this Agreement on the date first indicated above, all in accordance with law.

SUMLIN HOLDINGS, INC.

By: David R. Clark  
David R. Clark, President

BASOFIL FIBERS, LLC

By: David R. Clark  
David R. Clark, Manager

SUMLIN TECHNOLOGIES, LLC

By: David R. Clark  
David R. Clark, President

David R. Clark  
David R. Clark, Individual