

SALE OF ASSETS AGREEMENT  
between Seller's Company  
and  
Buyer's Company

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## SALE OF ASSETS AGREEMENT

THIS AGREEMENT is entered into as of 20( ), by and among Buyer's Company, a Maryland corporation ("Buyer") and Seller's Company, a Virginia corporation ("Seller").

WHEREAS, Seller desires to sell Seller's tangible and intangible personal property assets to Buyer's Company in exchange for the payment by Buyer's Company and of the purchase price and upon the further terms and conditions set forth herein and Buyer's Company desires to acquire said assets;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants, agreements, representations and warranties set forth herein, the parties hereto agree as follows:

### 1. Transfer of Assets.

1(a) Assets Being Sold to Buyer's Company. Subject to the terms and conditions hereof, Seller hereby sells, conveys, assigns, transfers and delivers to Buyer's Company all of the information business conducted by Seller (the "Business") and all of the assets which Seller utilized in the Business as of the date hereof other than those assets specifically excepted in Section 1(b) hereof (collectively, the "Assets"), including, without limitation, the following assets, properties, rights and interests owned, leased or held by Seller:

(i) the trademarks, service marks, trade names, trade dress, labels, logos and all rights relating thereto relating to the Business and owned by Seller, including, without limitation, the trademarks, service marks, and trade names; and

(ii) customer lists and sales promotion materials relating to the Business, all books, records and other documents pertaining to the Business and Assets, and all goodwill associated with the Business, the business telephone number.

(iii) tangible assets as listed in Schedule 1.

And

(iv) all accounts receivable outstanding as of the date of closing.

### 2. Assumption of Liabilities.

Buyer's Company shall not assume any obligation or liability of Seller relating to the Business or otherwise. Without in any

way limiting the generality of the preceding sentence, Seller and Buyer's Company specifically agree that Buyer's Company shall not assume, and shall have no liability or obligation for, Seller's obligations and liabilities for federal, state or local income or other taxes, salaries or payroll, employee benefits, and any amounts which are now or may become due to Seller's employees as severance or termination pay or benefits.

### 3. Purchase Price.

(a) The "Purchase price" for the Business and its Assets shall be Two Hundred Forty-five thousand dollars (\$245,000). The Escrow Agent is currently holding 30,000 in escrow and the balance of \$215,000 will be due at closing.

(b) Allocation of Purchase Price. The Purchase Price shall be allocated as follows:

(i) \$50,000 to the covenant not to compete set forth in Section 4(b) hereof;

(ii) \$52,559 to equipment,

(iii) the balance of the purchase price to goodwill.

### 4. Additional Undertakings.

4(a) Consents. Seller shall take all measures necessary to secure such consents, authorizations and approvals to the consummation of the transactions contemplated hereby as may be required by any applicable law, ordinance, regulation, rule, order, judgment, injunction, decree, charter, bylaw, contract, agreement, commitment, lease, instrument, or other restriction of any kind or character whatsoever or as may be reasonably requested by Buyer's Company.

4(b) Non-competition. Seller and its shareholders hereby covenants and agrees that, for a period of two years from and after the date hereof, they will not, within 25 miles of the business location at the [Business Address] (the "Territory"), (i) in any manner engage in child or day care otherwise compete, directly or indirectly, with the Business as conducted by Buyer's Company, or (ii) participate as a director, officer or employee of or consultant to, or as a stockholder, partner, agent or representative of, or have any direct or indirect financial interest in, any enterprise (other than Buyer's Company or controlled by Buyer's Company) which is engaged, or plans to engage, in any such business within the Territory.

4(c) Confidentiality. Seller acknowledges that they have obtained and may continue to obtain knowledge of and access to confidential and valuable business information relating to the

Business and Buyer's Company (sometimes hereinafter referred to as "Restricted Information"), which may include, but is not limited to, customer lists, customer needs and requirements, marketing plans, pricing information and formulas, employee lists and salaries, and operating expenses, relating to the Business or owned, used by, or known to Buyer's Company and not generally known by or available to the general public. Seller agrees at all times, from and after the date hereof, (i) to keep all such Restricted Information confidential, (ii) not to use such Restricted Information on their own behalf or on behalf of any other person, firm or entity, and (iii) not to disclose any such Restricted Information to any third party without Buyer's Company's advance written authorization. In the event of a breach or threatened breach by Seller of the provisions of this Section 4(c), Buyer's Company shall be entitled to an injunction restraining Seller from using or disclosing, in whole or in part, any such Restricted Information. Nothing herein shall be construed as prohibiting Buyer's Company from pursuing any other available remedy for such breach or threatened beach, including the recovery of damages.

4(d) Right to Bill. From and after the date of closing hereunder Buyer's Company shall have the exclusive right and authority to charge, bill and collect, for the account of the Seller, for services rendered to customers after such date of closing.

4(e) Right to Offer Employment. Buyer's Company shall have the right, but not the obligation, to offer employment to any employees of Seller involved, directly or indirectly, in the operation of the Business.

4(f) Operation Prior to Closing. Seller agrees that, prior to the closing hereunder and, unless otherwise requested or consented to in a writing signed by an officer of Buyer's Company, they shall maintain and operate the Business and provide service to its customers in substantially the same manner in which the Business has been maintained and operated and such customers have been served, with a view to preserving the Business and the reputation of Seller on at least as high a level as presently enjoyed, and use their best efforts to preserve intact their Business and to maintain satisfactory relationships with others having business relationships with them; promptly notify Buyer's Company of any material adverse change in the Business; and refrain from entering into any contract, agreement or commitment, except in the ordinary course of business consistent with past practice.

4(g) Training and Other Assistance. Seller will consult with Buyer's Name at Buyer's Company's request at no additional cost to Buyer for 20 hours. In addition, the Seller will help introduce the Seller's clients to Buyer's Company.

4(h) Business Name. Seller shall, to the extent permitted by law, transfer to Buyer's Company from and after the Closing the right to use the business name of Seller and all variations thereof.

5. Closing of Sale and Purchase.

5(a) Closing. Subject to the terms and conditions of this Agreement, the closing of the transactions contemplated by this Agreement (the "Closing") shall be held as soon as the Buyer's Company obtains the necessary licenses to operate the day care center.

As soon as the licenses to operate the day care center the closing date (the "Closing Date") will be scheduled.

If for any reason, the Closing does not take place by the [Specified Date] at 1:00 p.m. at the business office of Arthur Lander, Esq., 3130 N. 10<sup>th</sup> St. Arlington, Va 22201, then the parties are under no further obligation to proceed and each releases the other from all and any obligation and that Buyer's Company is entitled to the return of the 30,000 in escrow.

5(b) Deliveries by Seller to Buyer's Company. At the Closing, Seller shall deliver to Buyer's Company the following:

(i) a duly executed Assignment and Bill of Sale in substantially the form attached hereto as Exhibit B;

(ii) such other certificates and instruments as Buyer may reasonably request.

(iii) a certified copy of the resolutions of the Board of Directors of Seller in substantially the form attached hereto as Exhibit D.

(iv) an executed Assignment of Contracts and Leases in substantially the form attached hereto as Exhibit A.

5(c) Deliveries by Buyer's Company. At the Closing, Buyer's Company shall deliver to Seller the following:

(i) a certified copy of the resolutions of the Board

of Directors of Buyer in substantially the form attached hereto as Exhibit C; and

(ii) such other certificates and instruments as Seller may reasonably request.

(iii) a check for \$215,000

(iv) an executed Assignment of Contracts and Leases in substantially the form attached hereto as Exhibit A

6. Representations and Warranties of Seller.

Seller warrants to Buyer's Company as follows:

6(a) Organization and Standing; Power, Authority and Capacity. Seller has the power authority and capacity to enter into this transaction.

6(b) Binding Obligation. This Agreement, and each document and instrument to be executed and delivered by Seller pursuant hereto, constitute the legal, valid and binding obligation of Seller, enforceable in accordance with their respective terms (subject to limitations imposed by equitable principles or by bankruptcy, insolvency and other laws affecting creditors' rights).

6(c) Books and Records. The books of account and other records of Seller are in all material respects complete and correct and have been maintained in accordance with good business practices, and the matters contained therein are appropriately and accurately reflected in the financial records of Seller.

6(d) Title to Assets. Except as otherwise noted on the Schedules attached hereto, Seller has and is transferring to Buyer's Company good, valid and marketable title to the Assets, free and clear of all liens, mortgages, security interests, encumbrances, restrictions, agreements, defects or equities of any kind (collectively, "Encumbrances"), and Seller has full power to transfer its assets and business as herein provided.

The Assets so acquired by Buyer's Company shall constitute all of the assets, tangible and intangible, utilized in the Business, All tangible assets being transferred to Buyer's Company are in good operating condition and repair and are suitable and adequate for the uses for which they are being used.

6(e) Tax Returns. All required federal, state and local tax returns of Seller have been accurately and duly and timely filed, and all federal, state and local taxes required to be paid with respect to the periods covered by such returns have been paid. Seller has not been delinquent in the payment of any tax, assessment or governmental charge, and Seller has no tax

deficiency outstanding, assessed, or to the knowledge of Seller, proposed to be assessed against it.

6(f) Conduct of Business Since [Date]. Since [Date], except as set forth herein, Seller has not (i) incurred, become subject to, or agreed to incur or become subject to, any obligations or liabilities (absolute or contingent) relating to the Business except current liabilities incurred in the ordinary course of business and obligations under leases and other agreements and contracts listed in the Schedules hereto; or redeemed, or agreed to purchase or redeem, any of its stock; (ii) sold, leased or transferred, or agreed to sell, lease or transfer, any of the Assets to be acquired by Buyer's Company hereunder, or cancelled, or agreed to cancel, any debts or claims relating to the Business, except in each case in the ordinary course of business, or entered or agreed to enter into any agreement or arrangement granting any preferential rights to purchase any of the assets, property or rights relating to the Business or requiring the consent of any party to the transfer and assignment of such assets, property and rights; (iii) entered or agreed to enter into any transactions relating to the Business other than in the ordinary course of business except as herein stated; (iv) increased or agreed to increase the rate of compensation or benefits payable, or to become payable, by it to any of its officers or employees engaged in the Business over the rate being paid to them on [Date]; or (v) made or agreed to make capital expenditures or commitments therefor relating to the Business.

6(g) Litigation. There are no claims, actions, suits, proceedings or investigations pending or threatened or reasonably anticipated against or affecting Seller or its assets or business or this Agreement, at law or in equity, by or before any court, arbitrator or governmental authority, domestic or foreign. Seller is not operating under, subject to or in default with respect to any order, judgment, injunction or decree of any court, arbitrator or governmental authority, domestic or foreign.

6(h) Labor Disputes; Benefit Plans. There are no strikes, work stoppages, grievance proceedings or other controversies pending or threatened between Seller and any of its employees or agents or any union or collective bargaining unit. Seller has complied and is in compliance with all laws and regulations relating to the employment of labor, including without limitation provisions relating to wages, hours, collective bargaining, occupational safety and health, equal employment opportunity, and the withholding of income taxes and social security contributions. The consummation of the transactions contemplated hereby will not cause Seller to incur or suffer any liability relating to, or obligation to pay, severance, termination or other payments to any person or entity.

6(i) No infringement or Contest. The trademarks, service marks, trade names, trade dress, labels, and logos described in Section 1(a)(i) hereof and the use thereof in the Business, and after the Closing by Buyer's Company, do not and will not infringe on any trademarks, copyrights, or other proprietary rights of any third party, and there is no claim, action, suit or proceeding pending or threatened or reasonably anticipated against Seller with respect thereto. Seller is not required to pay any royalty to anyone under any such trademark, service mark, trade name, label or logo owned or used by Seller. Seller possesses all rights to use all such trademarks, service marks, trade names, trade dress, labels and logos necessary for the conduct of its business.

6(j) Compliance with Applicable Laws. Seller has complied and is in full compliance with all laws, ordinances, regulations, rules, orders, judgments, injunctions, and decrees applicable to its business and assets.

6(k) Consents. Seller is not subject to any law, ordinance, regulation, rule, order, judgment, injunction, decree, charter, bylaw, contract, commitment, lease, agreement, instrument or other restriction of any kind which would prevent Seller's consummation of this Agreement or any of the transactions contemplated hereby without the consent of any third party, which would require the consent of any third party to the consummation of this Agreement or any of the transactions contemplated hereby, or which would result in any penalty, forfeiture or termination as a result of such consummation, other than such consents as have been previously obtained in writing and delivered to Buyer's Company.

6(l) Absence of Violation. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby constitutes a violation or default under, or conflicts with, or will result in the creation of any Encumbrance on any of the Assets under any term or provision of any contract, commitment, lease, instrument, agreement, arrangement or understanding to which Seller is a party or by which Seller is bound.

6(m) Bulk Transfers Law. No bulk transfers or similar law is applicable to the transactions contemplated by this Agreement or the agreements and instruments called for hereunder.

6(n) Disclosure. All facts of material importance to the Assets, the Business and the prospects for the Business have been fully and truthfully disclosed to Buyer's Company in writing. No representation or warranty by Seller in this Agreement, nor in any document, statement, certificate, schedule or exhibit previously furnished to Buyer's Company to be so furnished pursuant to this Agreement, contains or will contain any untrue

or misleading statement of material fact or omits or will omit any material fact necessary to make the statements contained therein not misleading.

6(o) Equipment. The equipment listed in Schedule 1 is in good working order.

6(p) Gross revenue. The Seller has a minimum of Sixty-Seven (67) full time children contracting with the Seller for care as of the date of closing.

6(q) Knowledge. The Seller has no notice or knowledge or any health department violation, code violations, proposed zoning code changes to the business location, or breaches in the lease with the Landlord.

## 7. Representations and Warranties of Buyer's Company.

Buyer's Company hereby represent and warrant to Seller as follows:

7(a) Organization and Standing; Power and Authority. Buyer's Company is duly organized, validly existing and in good standing under the laws of Virginia, have the full corporate power and authority to carry on their businesses, to execute, deliver and perform this Agreement and related documents called for herein, and to consummate the transactions contemplated hereby.

7(b) Corporate Approvals. The Boards of Directors of Buyer's Company have approved this Agreement and the transactions contemplated hereby and have authorized the execution, delivery and performance of this Agreement by Buyer's Company.

7(c) Binding Obligation. This Agreement, and each document and instrument to be executed by Buyer's Company pursuant hereto, constitutes the legal, valid and binding obligation of Buyer's Company, enforceable in accordance with its terms (subject to limitations imposed by equitable principles or by bankruptcy, insolvency and other laws affecting creditors' rights).

7(d) Consents. Buyer's Company are not subject to any law, ordinance, regulation, rule, order, judgment, injunction, decree, charter, bylaw, contract, commitment, lease, agreement, instrument or other restriction of any kind which would prevent Buyer's Company's consummation of this Agreement or any of the transactions contemplated hereby without the consent of any third party, which would require the consent of any third party to the consummation of this Agreement or any of the transactions contemplated hereby, or which would result in any penalty, forfeiture or termination as a result of such consummation, other than such consents as have been previously obtained in writing

and delivered to Seller.

7(e) Lease. Buyer's Company agrees to promptly provide Seller with a copy of any notice or demand the Buyer may receive from the Landlord.

In the event the Landlord should allege any violation of the Lease by the Buyer's Company, then the Buyer agrees to promptly provide Seller with reasonable assurances that the alleged violation will be promptly cured and that the period for the Buyer's cure will not exceed any cure period demanded by the Landlord or otherwise provided under the Lease.

The Buyer understands and agrees that any failure to pay any sums due and payable under the Lease may impact the Seller's credit. Accordingly, the Buyer agrees to give sufficient prior notice to Seller in the event Buyer will not pay when due any sums owed to the landlord under the Lease to permit Seller the opportunity to cure any such violation of the Lease before a default under the Lease should occur.

Seller reserves the right, but shall have no duty, to cure any violation(s), or threatened violation(s), of the Lease on behalf of the Buyer and at the Buyer's expense and cost.

In the event Seller cures any violation or threatened violation of the Lease or otherwise advances or expends any funds on the Buyer's behalf with regards to the Lease after the Closing, Buyer agrees to promptly reimburse any such expenditure or funds plus an administrative fee ten percent.

Should Buyer fail to pay any sums to Seller as required pursuant to the above, within thirty days or when due, Buyer agrees to pay interest at the rate of one percent per month compounded and all of Seller's collection costs, including Seller's reasonable attorney's fees.

In the event the Landlord commences or threatens to commence any action to evict the Buyer from the Premises or to otherwise to acquire possession of the Premises from the Buyer under the Lease, Seller reserves the right to rescind the assignment, to cure Buyer's default, and to re-acquire possession of the Premises from the Buyer.

7(f). Confidential Information. Buyer's Company agrees to keep all information provided by the Seller confidential in the Buyer's due diligence review. If for whatever reason, the Agreement should not go to closing, the Buyer agrees to continue to keep all information provided by the Seller confidential and not to use or disclose confidential information.

## 8. Conditions Precedent to Obligations of Buyer's Company

The obligations of Buyer's Company are subject to the fulfillment, prior to or at the Closing, of each of the following conditions precedent:

8(a) Representations and Warranties. The representations and warranties made by Seller in this Agreement, and the statements contained in the Schedules and Exhibits attached hereto or in any document delivered by or on behalf of Seller to Buyer's Company relating to the Business, shall be true and correct in all material respects when made and on and as of the Closing Date as though such representations and warranties were made on and as of such date, except for any changes permitted by the terms of this Agreement or consented to by Buyer's Company in writing.

8(b) Performance. Seller shall have complied with and performed in all material respects all agreements, obligations and covenants required by this Agreement to be so complied with or performed.

8(c) Absence of Material Adverse Change. There shall have been no changes in the Business since the date hereof, which, individually or in the aggregate, would have a material adverse effect upon the value of the Business.

8(d) Legal Proceedings. No action or proceeding by or before any court or other governmental body shall have been instituted or threatened which might restrain, prohibit or invalidate the transactions contemplated by this Agreement, or which might affect the right of Buyer's Company to own and operate the Business.

8(e) Lease. The Buyer will have obtained an assignment of the Lease with Home Properties, landlord of the business premises on the same terms as the Seller.

8(f) Financing. The Buyer needs to obtain financing. The Buyer financing is a condition precedent for the Buyer to complete the terms of this Agreement and go to closing. Without financing of the 215,000, the Buyer cannot go to closing. The financing required by the Buyer is all of the 215,000, with an interest rate not to exceed 8%, and with a term of at least 5 years amortized over 30 years.

## 9. Conditions Precedent to Obligations of Seller

The obligation of Seller under this Agreement are subject to

the fulfillment, prior to or at the Closing, of each of the following conditions:

9(a) Representations and Warranties. The representations and warranties made by Buyer's Company in this Agreement or in any certificate delivered by Buyer's Company pursuant to this Agreement shall be true and correct in all material respects when made and on and as of the Closing Date as though such representations and warranties were made on and as of such date, except for any changes permitted by the terms of this Agreement or consented to by Seller in writing.

9(b) Performance. Buyer's Company shall have complied with and performed in all material respects all agreements, obligations and covenants required by this Agreement to be so complied with or performed.

9(c) Legal Proceedings. No action or proceeding by or before any court or other governmental body shall have been instituted or threatened which might restrain, prohibit or invalidate the transactions contemplated by this Agreement, or which might affect the right of Seller to transfer and convey the Business.

9(d) Leases. Buyer's Company shall have received Landlords agreement to the assignment of the lease to the Seller's business location.

#### 10. Indemnification.

10(a) Indemnification of Seller. Buyer's Company agree to fully and timely comply with all obligations under this Agreement, and shall indemnify and hold Seller harmless from and against all demands, claims, actions, or causes of action, assessments, losses, damages, liabilities, costs and expenses (including, but not limited to, interest, penalties and reasonable attorneys' fees and expenses) asserted against, relating to, imposed upon or incurred by Seller (directly or indirectly) by reason of or resulting from any misrepresentation or breach of the representations and warranties of Buyer's Company, or noncompliance by Buyer's Company with any covenant, agreement or undertaking of Buyer's Company, set forth in or made pursuant to this Agreement.

10(b) Indemnification of Buyer's Company. Seller agrees to indemnify and hold Buyer's Company harmless from and against all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses (including, but not limited to, interest, penalties and reasonable attorneys' fees and expenses) asserted against, relating to, imposed upon or incurred by Buyer's Company (directly or indirectly) by reason of or resulting from (i) any and all obligations and liabilities of

Seller not assumed by Buyer's Company under this Agreement; (ii) any misrepresentation or breach of the representations and warranties of Seller or noncompliance by Seller with any covenant, agreement or undertaking of Seller set forth in or made pursuant to this Agreement.

10(c) Conditions of Indemnification. The obligations and liabilities of Seller and Buyer's Company under Sections 10(a) and 10(b) hereof resulting from any claim or other assertion of liability by third parties (hereinafter called collectively "Claims"), shall be subject to the following terms and conditions.

(i) The indemnified party shall give prompt written notice of any such Claim asserted against it to the indemnifying party, and the indemnifying party shall have the right to undertake forthwith the defense, compromise or settlement thereof by counsel or other representatives designated by it whom the indemnified party has deemed to be satisfactory for such purposes. The consent of the indemnified party to the indemnifying party's choice of counsel or other representative shall not be unreasonably withheld.

(ii) In the event the indemnifying party shall elect not to undertake such defense by its own representatives, the indemnified party will have the right to undertake, by counsel or representatives of its own choosing, the defense, compromise or settlement of any such Claim asserted against it, such defense, compromise or settlement to be undertaken on behalf of and for the account and risk of the indemnifying party.

## 11. Miscellaneous.

11(a) Entire Agreement; Amendments. This Agreement (including the Exhibits and Schedules hereto) contains the entire agreement among the parties hereto, and supersedes all prior oral or written agreements, commitments or understandings with respect to the matters provided for herein. No amendment or modification hereof shall be binding upon any party hereto unless set forth in writing and duly executed by all of the parties hereto.

11(b) Assignment and Binding Effect. This Agreement and the rights and obligations of any party hereunder may not be assigned by any party without the prior written consent of the other parties. All covenants, agreements, representations, warranties and indemnities in this Agreement by and on behalf of any of the parties hereto shall bind and inure to the benefit of their respective successors and permitted assigns.

11(c) Severability. If fulfillment of any provisions of this Agreement, or performance of any transaction related hereto, at the time such fulfillment or performance shall be due, shall

exceed the limit of validity-prescribed by law, then the obligation to be fulfilled or performed shall be reduced to the limit of such validity; and if any clause or provisions contained in this Agreement operates or would operate to invalidate this Agreement, in whole or in part, then such clause or provision only shall be held ineffective, as though not herein contained, and the remainder of this Agreement shall remain operative and in full force and effect.

11(d) Waivers. No delay or failure on the part of any party hereto in exercising any right, power or privilege under this Agreement or under any other instruments given in connection with or pursuant to this Agreement shall impair any such right, power or privilege or be construed as a waiver of any default or any acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against any party hereto unless made in writing and signed by the party against whom enforcement of such waiver is sought, and then only to the extent expressly specified therein.

11(e) Notices. All notices, requests or other communications which may be or are required to be given, served or sent by any party to any other party pursuant to this Agreement shall be in writing and shall be mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, or transmitted by hand delivery, facsimile transmission, telegram or telex, addressed as follows:

(i) if to Buyer's Company:  
Buyer's Name

Company Address

if to Seller's Company  
Seller's Name

Company Address

Each party may designate by notice in writing a Buyer's Company address to which any notice, request, demand or other communication may thereafter be so given. Each notice, request, demand or other communication which shall be mailed, delivered or transmitted in the manner described above shall be deemed sufficiently given, served, sent, received or delivered for all purposes at such time as it is delivered to the addressee (with the return receipt, the delivery receipt, the affidavit of messenger, or (with respect to a telex) the answer back being

deemed conclusive evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

11(f) Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Commonwealth of Virginia (not including the choice-of-law rules thereof).

11(g) Headings. The descriptive headings of the Sections and subsections of this Agreement are inserted for convenience only and do not constitute a part of the Agreement.

11(h) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

11(i) Survival. This Agreement including but not limited to all representations, warranties, covenants, agreements and indemnities of the parties hereto contained in this Agreement or in any instrument delivered pursuant thereto shall be deemed made on and as of the date hereof as though made on and as of such date, and shall survive the execution and delivery of this Agreement and consummation of the transactions contemplated hereby.

This Agreement will not merge with any other document and will survive.

11(j) Additional Actions and Instruments. Each of the parties hereto agrees to take or cause to be taken such further actions, to obtain such consents and approvals, and to execute, deliver and file or cause to be executed, delivered and filed such further instruments as the other party may from time to time reasonably request in order to fully effectuate the purposes, terms and conditions of this Agreement.

11(k) Expenses; Broker. Each of the parties hereto shall pay his or its own expenses incurred in preparing for, entering into and carrying out this Agreement and consummating the transactions contemplated hereby. Seller shall be solely responsible for payment of any commissions, fees and expenses payable to any broker or agent with respect to the sale of the Business and the Assets pursuant hereto.

BOTH PARTIES HAVE RETAINED LEGAL COUNSEL AND ARE REPRESENTED BY THEIR OWN COUNSEL.

Arthur Lander, Esq. in drafting this Agreement and acting as closing agent as the attorney for the Buyer.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, or have caused this Agreement to be duly executed on their behalf, as of the date first hereinabove written.

Buyer's Company,

By \_\_\_\_\_  
Buyer's Name  
President

Seller's Company,

By \_\_\_\_\_  
Seller's Name  
President

SCHEDULE 1

EQUIPMENT AND FIXTURE

See attached list totaling \$52,559

SCHEDULE 2

CONTRACTS AND LEASES

Lease for premises at [Business Address].

Contracts with parents of children requesting day care.

EXHIBIT A

ASSIGNMENT AND ASSUMPTION OF CONTRACTS AND LEASES

THIS ASSIGNMENT AND ASSUMPTION OF CONTRACTS AND LEASES is entered into on \_\_\_\_\_, 20(\_\_\_\_), by and between Seller's Company a Virginia corporation ("Seller") and Buyer's Company a Maryland corporation ("Buyer's Company"), pursuant to and subject to the terms and conditions of a Sale of Assets Agreement (the "Agreement") dated as of \_\_\_\_\_, 20(\_\_\_\_), by and among Seller and Buyer's Company.

In consideration of the payments and mutual covenants, representations and warranties set forth in the Agreement, the receipt and sufficiency of which are hereby acknowledged, Seller hereby assigns to Buyer's Company, its successors and assigns, all of Seller's right, title and interest in the contracts, leases, commitments, instruments and other agreements described in Schedule 2 attached hereto (the "Contracts and Leases"), and Buyer's Company hereby agrees that, from and after the date hereof, Buyer's Company shall be liable for, and hereby assumes and agrees fully and timely to pay, perform and discharge in accordance with their respective terms and conditions, all obligations and liabilities of Seller under the Contracts and Leases as listed in Exhibit 2 arising after the date hereof until their respective expiration.

IN WITNESS WHEREOF, the parties hereto have duly executed this Assignment and Assumption of Contracts and Leases as of the date set forth above.

Buyer's Company

By \_\_\_\_\_  
Buyer's Name  
President

Seller's Company

By \_\_\_\_\_  
Seller's Name  
President

EXHIBIT B

ASSIGNMENT AND BILL OF SALE

THIS ASSIGNMENT AND BILL OF SALE is made on \_\_\_\_\_,  
20(\_\_\_\_) by Seller's Company, a Virginia corporation ("Seller"),  
pursuant to and subject to the terms and conditions of a Sale of  
Assets Agreement (the "Agreement") dated as of \_\_\_\_\_,  
20(\_\_\_\_), between Seller Seller's Company, a Virginia corporation  
and Buyer's Company.

In consideration of the payments and mutual covenants,  
representations and warranties set forth in the Agreement, the  
receipt and sufficiency of which are hereby acknowledged, Seller  
hereby sells, assigns, transfers, conveys and delivers to Buyer's  
Company and its successors and assigns all of the right, title  
and interest of Seller in and to the tangible assets described in  
Schedule 1.

Seller hereby sells, assigns, transfers, conveys and  
delivers to Buyer's Company and its successors and assigns all of  
the right, title and interest of Seller the trademarks, service  
marks, trade names, trade dress, labels, logos, accounts  
receivable, and business phone number (and all rights relating  
thereto).

IN WITNESS WHEREOF, Seller has caused this Assignment and  
Bill of Sale to be duly executed on the date set forth above.

\_\_\_\_\_  
Seller's Name  
President  
Seller's Company

EXHIBIT C

Certificate of Secretary

The undersigned, being the corporate secretary of Buyer's Company (the "Company"), hereby certifies that attached hereto are true and correct copies of the resolutions adopted by the Board of Directors of the Company on \_\_\_\_\_, 20( ) for the purpose of approving the purchase of certain assets of Seller's Company, a Virginia corporation

\_\_\_\_\_  
Buyer's Name

Dated: \_\_\_\_\_, 20( )

Buyer's Company

RESOLVED, that (i) the proposed Sale of Assets Agreement dated as of \_\_\_\_\_, 20( ) ("Agreement") among the Buyer's Company ("Buyer's Company") and Seller's Company, a Virginia corporation ("Seller"), providing for the purchase by Buyer's Company of the business and certain assets of Seller in exchange for the payment by Buyer's Company is hereby approved and adopted;

RESOLVED FURTHER, that the President is authorized to execute and deliver the Agreement, subject to such changes in such documents as he in his sole discretion determines to be necessary or advisable (such determination to be conclusively evidenced by the execution and delivery of such document), and that the President is authorized to carry out and perform the terms and satisfy the conditions of such documents; and

RESOLVED FURTHER, that the appropriate officers of the Corporation are hereby authorized and directed to negotiate, execute, deliver, and file such agreements, documents, and instruments, and to take such other actions, as they in their sole discretion may deem necessary or advisable in order to carry out the terms and conditions of the Agreement, to effectuate the foregoing resolutions, and to comply with any applicable federal, state, or local laws or regulations in connection with any of the foregoing.

EXHIBIT D

Seller's Company

Certificate of Secretary

The undersigned, being the corporate secretary of Seller's Company (the "Company"), hereby certifies that attached hereto are true and correct copies of the resolutions adopted by the Board of Directors of the Company on \_\_\_\_\_, 20( ) for the purpose of approving the sale of certain assets to Buyer's Company, a Virginia corporation.

\_\_\_\_\_  
Seller's Name

Dated: \_\_\_\_\_, 20( )

Seller's Company

RESOLVED, that (i) the proposed Sale of Assets Agreement dated as of \_\_\_\_\_, 20( ) ("Agreement") between, Buyer's Company ("Buyer's Company") and Seller's Company, a Virginia corporation ("Seller"), providing for the sale by the Corporation of the business and certain assets of Seller in exchange for the payment by the Buyer's Company is hereby approved and adopted;

RESOLVED FURTHER, that the President is authorized to execute and deliver the Agreement, subject to such changes in such documents as he in his sole discretion determines to be necessary or advisable (such determination to be conclusively evidenced by the execution and delivery of such document), and that the President is authorized to carry out and perform the terms and satisfy the conditions of such documents; and

RESOLVED FURTHER, that the appropriate officers of the Corporation are hereby authorized and directed to negotiate, execute, deliver, and file such agreements, documents, and instruments, and to take such other actions, as they in their sole discretion may deem necessary or advisable in order to carry out the terms and conditions of the Agreement, to effectuate the foregoing resolutions, and to comply with any applicable federal, state, or local laws or regulations in connection with any of the foregoing.