

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT5641206

SUBMISSION TYPE:	NEW ASSIGNMENT	
NATURE OF CONVEYANCE:	ASSIGNMENT	
CONVEYING PARTY DATA		
	Name	Execution Date
	ULTRA SKIFF, INC.	09/20/2018
RECEIVING PARTY DATA		
Name:	ULTRASKIFF, LTD	
Street Address:	2227 FOUNDRY ROAD	
City:	GAINSVILLE	
State/Country:	TEXAS	
Postal Code:	76240	
PROPERTY NUMBERS Total: 2		
	Property Type	Number
	Patent Number:	8789487
	Patent Number:	10000621
CORRESPONDENCE DATA		
Fax Number:	(913)248-4494	
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>		
Phone:	9132484477	
Email:	uspto@midwestip.com	
Correspondent Name:	LAW OFFICE OF MARK BROWN, LLC	
Address Line 1:	7225 RENNER ROAD, SUITE 201	
Address Line 4:	SHAWNEE, KANSAS 66217	
NAME OF SUBMITTER:	MARK BROWN	
SIGNATURE:	/mark brown/	
DATE SIGNED:	07/29/2019	
Total Attachments: 30		
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ASSET PURCHASE AGREEMENT

AGREEMENT signed as of September 20, 2018 ("Execution Date"), among ULTRA SKIFF, INC., a Florida corporation ("Seller"), Ultraskiff, LTD, a Texas Limited Partnership ("Buyer"), Ultra Skiff Management Group LLC, a Texas limited liability company, as general partner of Buyer ("General Partner"), MITCHELL E. SHAUF, who is the manager of the General Partner of Buyer ("Shauf"), and JEFFREY LIZZIO, who is the majority stockholder of Seller ("Lizzio").

W I T N E S S E T H:

WHEREAS, Buyer desires to purchase and acquire from Seller and Seller desires to sell and transfer to Buyer with effect as and from the opening of business on September 21, 2018, or such other date as is mutually agreeable (the "Effective Date"), certain of the assets, contracts, and rights of Seller used in its watercraft manufacturing business known as "ULTRA SKIFF" (the "Business") as identified in Section 2.1 ("Assets"), but excluding therefrom the assets listed hereinafter under Section 2.2; and

WHEREAS, Seller desires to sell, transfer and assign the Assets to Buyer; and

WHEREAS, the parties desire to document their understanding regarding the purchase and sale of the Assets.

NOW, THEREFORE, in consideration of the promises and of the covenants and agreements herein contained, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, it is agreed as follows:

1. **Recitals.** The above recitals are true and correct and are incorporated herein by reference.

2. **Purchase and Sale**

2.1 **Assets to be Sold and Purchased.** Seller hereby agrees to sell, and at the closing will transfer, convey, assign and deliver to Buyer, and Buyer hereby agrees to purchase free and clear of any liens and encumbrances from Seller, and at the closing will be deemed to have acquired from Seller as of the open of business on the Effective Date, those assets listed below, on the terms and subject to the conditions of this Agreement, but expressly excluding those assets specified in Section 2.2:

(a) All supplies, equipment, tooling, dies, molds, machinery, leasehold improvements and other tangible personal property used in the Business as more particularly described in Schedule 2.1(a) hereto;

(b) All rights under any contracts, leases and licenses relating to Seller's Business, including without limitation to those listed on Schedule 2.1(b) (but excluding any obligations under such agreement unless expressly assumed by Buyer).

(c) All of Seller's rights under any Intellectual Property presently owned or that has been used in Seller's Business, including, without limitation, business names including the name "ULTRA SKIFF" e-mail addresses, web addresses and domain names (including "www.ultraskiff.com") and telephone and facsimile numbers of the Business, and all technologies used or useful with respect to the Business including trademarks, patents, copyrights, trade names, know-how and trade secrets;

(d) All intangible assets, including, without limitation any and all goodwill connected with Seller's Business; and

(e) All customer lists, vendor lists, advertising materials and data, restrictive covenants, choses in action, and similar obligations in favor of the Business, together with all books, local computer software, files, papers, records, and other data relating to the Business;

(f) All usable and salable inventories and other materials, including all inventory in transit or on order and not yet delivered, identified as such prior to the Closing; provided that (i) such inventory (less inventory in transit or on order and not yet delivered) shall not exceed 32 boats equal to _____ and (ii) if such inventory exceeds 32 boats the Purchase Price shall be increased by the wholesale amount of such excess boats; and

(f) All prepaid expenses, except those excluded in Section 2.2.

2.2 Assets Not Sold. The assets of Seller, not intended to be included within the term "Assets" and, accordingly, are not included in the sale to Buyer as contemplated by this Agreement, as follows:

(a) All receivables due Seller for customer charges incurred prior to the Closing Date shall remain the property of Seller (the "Receivables"); provided, however, that Buyer will collect all Receivables of Seller and distribute the proceeds collected to Seller within thirty (30) days of receipt of such proceeds;

(b) all utility deposits refunded shall be payable to Seller;

(c) cash and cash equivalents on hand and in banks, certificates of deposit, commercial paper, stocks, bonds and other liquid investments;

(d) any prepaid insurance, interest, utilities, or rent accrued to the benefit of Seller as of the Closing Date;

(e) the minute book, corporate records, and corporate seal of Seller;

(f) the consideration for the Purchased Assets to be delivered by Purchaser to Seller pursuant to this Agreement;

(g) Seller's right to enforce this Agreement;

(h) all claims for tax refunds or refunds of workers' compensation premiums paid by Seller prior to the Closing Date;

(i) all life insurance policies;

(j) awards, plaques, and other personal items of Seller; and

(k) the assets as more particularly described in Schedule 2.2(k) hereto.

2.3 Instruments to Convey and Transfer Title. On the Closing Date, Seller shall deliver to Buyer:

(a) Such bills of sale, assignments, and other good and sufficient instruments of conveyance and transfer, dated as of the Effective Date, reasonably satisfactory in form and substance to Buyer and its counsel, as shall be effective to vest in Buyer all of Seller's right, title and interest in and to the Assets to be sold, conveyed, transferred and delivered hereunder, provided that the terms of such instruments shall be consistent with the provisions of this Agreement, and shall not alter or expand the obligations, warranties, representations or liabilities of Seller as expressly set forth in this Agreement.

(b) All of Seller's leases, profits and loss statements, contracts, and commitments relating to operations of Seller's Business.

3. Purchase Price. The total Purchase Price for the Assets shall be and shall be paid in accordance with Section 3.1.

3.1 Payment of Purchase Price. The Purchase Price shall be paid as follows:

(a) At Closing, shall be payable by wire transfer or in immediately available funds to Seller.

(b) At Closing, Buyer shall transfer to Seller ownership interests in Buyer equal to twenty percent (20%) of the outstanding ownership in Buyer ("Equity Interest"), with the fair market value of

. Buyer and Seller agree that the Purchase Price of the Equity Interest is calculated on a multiple of the 1.5 of the average of most recent prior two (2) years gross sales of the Company (the "Valuation Method") times the ownership percent. The parties agree to this Valuation Method based on the growth strategy moving forward after Closing.

3.2 Buyer's Assumption of Liabilities. Buyer shall assume and agree to pay, perform and discharge only those liabilities and payables contracts expressly set forth in Schedule 3.2 (the "Liabilities"). Buyer's obligations shall commence as of the Effective Date for such liabilities. Buyer assumes no obligations for liabilities or contracts not set forth on Schedule 3.2. Buyer will not assume any liabilities for benefits or compensation for Seller's employees prior to Closing.

3.3 Purchase Price Allocation. The Purchase Price shall be allocated among the Assets as set forth on Schedule 3.3.

3.4. Insurance. Seller's insurance policies for commercial property are not transferrable and Buyer will be responsible for its own insurance.

4. Taxes and Closing Adjustments.

(a) Taxes. Seller will be liable for all federal and state income taxes and all state and local sales taxes of Seller for periods prior to the close of business on the Effective Date. Buyer shall pay, if applicable, all state, federal and other sales and use taxes attributable to the transfer of personal property as part of the Assets, and will be liable for all payments of state and local sales and use taxes applicable to the Assets for periods after the close of business on the Effective Date.

(b) Closing Adjustments. The purchase price payable at the Closing shall be adjusted as of the date thereof for accrued and unpaid personal property taxes, utility bills and other commonly considered adjustments with respect to the closing of transactions of the kind contemplated herein in the State of Florida. The foregoing adjustments and prorations shall reduce or increase the cash amount payable to Seller at the Closing.

5. Representations and Warranties.

5.1 Representations and Warranties of Seller. Seller and Lizzio, jointly and severally covenant, warrant and represent to Buyer and Shauf that:

(a) Organization and Standing. Seller is duly organized, validly existing and in good standing under the laws of the State of Florida has full power to carry on the Business of Seller as now being conducted, to enter into and perform the transactions contemplated by this Agreement, and is duly qualified to do business and is in good standing in all jurisdictions in which its ownership of property of Seller or the conduct of Business of Seller requires it to be so qualified.

(b) Power and Authority. Seller has all requisite power and authority to enter into this Agreement and to carry out its obligations under this Agreement. Seller's shareholders and directors have authorized Seller to execute and deliver this Agreement and to perform its covenants under this Agreement and no other corporate proceedings on the part of Seller is necessary to approve the execution and delivery of this Agreement and the performance contemplated hereunder.

(c) Qualification of Company. Seller is qualified, licensed and in good standing to conduct the Business in the State of Florida. Each individual employed by Seller has all requisite licenses to serve in such capacity, if necessary.

(d) No Violation. The execution and delivery of this Agreement will not, and the consummation of the transactions contemplated herein will not, violate any provision of Seller's Articles of Incorporation or Bylaws, and will not violate any provisions of, or result in the acceleration of any obligation under any loan indenture, mortgage, lien, lease,

agreement, instrument, order, arbitration award, judgment or decree, or in the termination of any lease or permit, to which Seller or Lizzio are parties or by which they are bound and will not violate or conflict with any other instrument of any other kind or character to which Seller or Lizzio are subjects or parties.

(e) Financial Information. Attached as Schedule 5.1(e) are a list of the financial information schedules and reports that were provided by Seller to Buyer in connection with this Agreement. Seller knows of no fact circumstance or situation which would cause such tax returns or financial information to be misleading or inaccurate for the applicable periods. The Seller's financial information fairly presents in all material respects the financial condition of Seller and the results of operations and changes in the financial positions of Seller.

(f) Absence of Undisclosed Liabilities. None of the Assets are subject to, any liabilities of any kind (whether accrued, absolute, contingent or otherwise), regardless of whether or not such liabilities are customarily reflected in a corporate balance sheet prepared in accordance with generally accepted accounting principles. To the best of its knowledge, there are no facts known to Seller or Lizzio to exist as of the date of this Agreement that might reasonably serve as the basis now or in the future for any liabilities or obligations of Seller not disclosed in this Agreement, the Financial Statement or the Exhibits hereto.

(g) Tax Matters. Seller has prepared and filed all federal, state and local tax returns and reports as are and have been required to be filed, which returns were prepared on a basis consistent with the financial statements of Seller, and all taxes shown thereon to be due have been paid in full. No accrued and unpaid taxes of Seller of any type exist, no tax liens are in effect on any properties in which Seller has an interest and no formal claims have been made or asserted against Seller or its properties in which Seller has an interest, and no formal claims have been made or asserted against Seller or its properties by the United States Government or by any state or foreign country or local government for income or any other taxes, except such as have been paid or (whether or not disputed) are disclosed herein.

(h) Title to Assets and Condition of Properties. Seller has good and marketable title to all of the Assets being sold to Buyer and such Assets are subject to no mortgage, guaranty, judgment, execution, pledge, lien, conditional sales agreement, security agreement, encumbrance or charge, except as disclosed pursuant to this Agreement (with respect to which no default exists) and except for liens for taxes not delinquent. All Assets are in good condition and repair, reasonable wear and tear excepted, and are operated in conformity with all applicable building and zoning ordinances and regulations and all other applicable laws, ordinances and regulations.

(i) Leases. Schedule 5.1(i) contains a true and complete list of all real estate leases and other leases or agreements of Seller (including subject matter of the lease and name of lessor and lessee) under which Seller is a lessor or lessee of or holds or operates any items of machinery, equipment, motor vehicles, office furniture or fixture or other property which are part of the Assets. Each lease and agreement listed is in full force and effect and constitutes the legal, valid and binding obligation of the respective parties thereto, enforceable in accordance with its terms. All such leases are assignable, or in the alternative, the Seller shall obtain estoppel certificates and assignment consents from such lessors as a condition to Closing.

(j) Trade Names, Copyright, Trademarks, Etc. Schedule 5.1(j) sets forth a summary of all trade names and trademark registrations and related applications licenses, franchises, copyrights and other assets of like kind, whether domestic or foreign, any interest in which is owned by Seller or registered in Seller's name or in which Seller has any interest which are being conveyed under this Agreement. The use of such trade names, trademarks, copyrights, franchises and licenses does not conflict with any rights of others. There is no default in any material respect under any of the licenses or other rights to use any trade names, trademarks, copyrights or other rights now used in the conduct of Seller's Business.

(k) Approvals and Consents. Except as listed on Schedule 5.1(k), no consent, approval or authorization is required to be obtained by Seller in connection with the execution or delivery of this Agreement by Seller or the consummation of the transactions contemplated hereby.

(l) Customer List. Schedule 5.1(l) contains a list of the top customers of Seller by annual revenue. Seller has performed in all material respects all obligations required to be performed by it prior to the Effective Date and Seller is not in default or alleged to be in default in any respect with any such customer.

(m) Compliance with Laws. Seller has complied in all material respects with all laws, regulations, licensing requirements and orders applicable to its Business and has filed with the proper authorities all statements and reports required by the laws, regulations, licensing requirements and orders to which it is subject. Seller has not had its license or qualification to conduct its Business in any jurisdiction revoked or suspended and has not been involved in a proceeding to revoke or suspend such a license or qualification. Seller has all governmental licenses, permits, authorizations and consents necessary to conduct its businesses as now conducted.

(n) Employee Matters. Attached as Schedule 5.1(n) are a true and complete list and copies of all written non-solicitation, non-disclosure and/or non-compete agreements for all current and former employees of Seller for the last two (2) years.

(o) Brokers or Finders Fees. No agent, broker, investment banker, person or firm acting on behalf of Seller or Lizzio or under the authority of Seller or will be entitled to any brokers or finders fee or any other commission or similar fee directly or indirectly from Buyer or Shauf in connection with any of the transactions contemplated by this Agreement.

(p) No Other Representations and Warranties. Except for the representations and warranties contained in this Section 5.1 (including the related portions of the Disclosure Schedules), neither Seller nor Lizzio has made or makes any other express or implied representation or warranty, either written or oral, on behalf of Seller, including any representation or warranty as to the accuracy or completeness of any information regarding the Business and the Assets furnished or made available to Buyer or as to the future revenue, profitability or success of the Business, or any representation or warranty arising from statute or otherwise in law.

5.2 Representations and Warranties of Buyer. Buyer and Shauf, jointly and severally, covenant, warrant and represent to Seller and Lizzio that:

(a) Organization and Standing. Buyer is duly organized, validly existing and in good standing under the laws of the State of Texas, has full power and all necessary governmental authorizations to own all of its property and to carry on its business as now being conducted, to enter into and perform this Agreement, and is duly qualified to do business and is in good standing in all jurisdictions in which its ownership of property or the conduct of its business requires them to be so qualified. The execution, delivery and performance of this Agreement by it has been duly authorized by all requisite business action on its part and no further action is necessary to consummate the transactions provided for herein, and the execution and delivery of this Agreement and all other documents related to this Agreement will constitute valid and binding obligations of Buyer and the Shauf in accordance with its terms.

(b) No Violations. The execution and delivery of this Agreement and all other related instruments and documents will not, and the consummation of the transactions contemplated therein will not, violate any provision of Buyer's Certificate of Formation, or its Operating Agreement, and will not violate any provisions of, or result in the acceleration of any obligation under any loan indenture, mortgage, lien, lease, agreement, instrument, order, arbitration award, judgment or decree, or in the termination of any lease or permit, to which Buyer or Shauf are parties or by which they are bound and will not violate or conflict with any other instrument of any other kind or character to which they are subject or a party.

(c) Investigation by Buyer. Buyer and Shauf have conducted its own independent review and analysis of the business, financial condition and prospects of the Assets and acknowledge that Seller has provided Buyer with access to the properties, premises and records of Seller for this purpose. Buyer acknowledges Seller and Lizzio have produced all Schedules and Exhibits required under this Agreement and Buyer has reviewed all such Schedules and Exhibits and finds them to be satisfactory in form and substance. Buyer and Shauf acknowledge and agrees that (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby and thereby, Buyer has relied solely upon its own investigation and the express representations and warranties of Seller set forth in Section 5.1 of this Agreement (including the related portions of the Disclosure Schedules) solely as an allocation of risk among the Seller and the Buyer pursuant to and in connection with the contractual indemnification set forth in this Agreement, and (b) none of Seller, Lizzio or any other Person has made any representation or warranty as to Seller, the Business or this Agreement, except as expressly set forth in Section 5.1 of this Agreement (including the related portions of the Disclosure Schedules).

(d) Litigation. There is no pending or, to the best knowledge of Buyer or Shauf, threatened, action, proceeding or investigation which questions the validity of this Agreement.

(e) Consents. There are no governmental, regulatory or private party approvals or consents required to execute, deliver and consummate this Agreement.

(f) Brokers or Finders Fees. No agent, broker, investment banker, person or firm acting on behalf of Buyer or Shauf or under the authority of Buyer or will be entitled to any brokers or finders fee or any other commission or similar fee directly or indirectly from Seller or Lizzio in connection with any of the transactions contemplated by this Agreement.

(g) Equity Interest. The Equity Interest issued to Seller shall be duly authorized, validly issued, fully paid and non assessable ownership shares of Buyer. Upon delivery of such Equity Interest, Seller will receive good and unencumbered title to such interest, free and clear of all liens, restrictions, charges, encumbrances and other security interests of any kind or nature whatsoever, except for any restrictions existing under applicable securities laws and the restrictions imposed by this Agreement.

6. Covenants of Seller and Lizzio.

6.1 Notices and Approvals. Seller shall give all notices and obtain all approvals which may be required pursuant to all agency agreements, and any other agreements, to which Seller is a party, as a result of the transactions contemplated by this Agreement. In lieu of giving notice or obtaining approval pursuant through a particular agreement, Seller may obtain a written waiver from the party to which or from which notice or approval is or would have been required. Within three (3) days from the Closing, Seller will disclose any company or client that has or intends to cancel the appointment of Seller or Lizzio.

6.2 Licenses. Seller will not permit any of the licenses currently held by it to lapse prior to the Closing Date. Seller and Lizzio shall cooperate with Buyer and use their best efforts to enable Buyer to obtain any licenses or governmental permits necessary to maintain the operation of the Business by Buyer in the ordinary course in light of the sale of the Assets.

6.3 Employment. Lizzio shall be employed by Buyer and have an annual salary of _____ for a minimum of two (2) years from the Effective Date. Lizzio will receive a yearly commission equal one percent (1%) on the gross amount of all product sales of the Business, excluding the freight costs of such sales. Lizzio's primary responsibilities to Buyer will be marketing of the UltraSkiff which includes attending trade shows, creating marketing videos and social media advertising. Lizzio will also advise and assist in website design, research and development and overall business/sales expansion strategy. Lizzio would be eligible for health and dental insurance and 401K program.

7. Covenants of Buyer.

7.1 Directors Resolutions. At the Closing, Buyer and Shauf shall deliver to Seller certified copies of resolutions adopted by Buyer's Governing Board approving this Agreement, the obligations of Buyer to be performed hereunder and the transactions contemplated hereby.

7.2 Buy/Sell Agreement. At Closing, Buyer, Shauf and Seller will enter into an agreement outlining the rights of Seller as a minority owner of Buyer, in the form attached hereto as Schedule 7.2 ("Buy/Sell Agreement"). The Buy/Sell Agreement shall include the following terms:

(a) Shauf's acknowledgment to refrain from the following without Seller's prior written consent; (i) related party transactions with the Buyer that are not at arm's length, (ii) payment of compensation by Buyer to affiliates and related parties of Shauf, and (iii) dilution of Seller's ownership interest;

(b) The rights of Seller to transfer or sell ownership to family members, third parties or other owners with first opportunity and right of refusal to the Buyer;

(c) The purchase and sale rights upon the death, disability or termination of employment of Lizzio;

(d) The right of Seller to "tag along" in the sale of the Buyer to a third party and sell all of Seller's ownership interest to the third party; and

(e) Incorporating the Valuation Method described above for the ownership interests in the Buyer.

8. Conditions Precedent to the Obligation of Buyer to Close. The obligation of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction, on or before the Closing Date, of each and every one of the following conditions, any of which may be waived, in whole or in part, by Buyer for the purpose of consummating such transactions:

8.1 Representations True. The representations and warranties made by Seller and Lizzio in this Agreement, the Schedules and Exhibits attached hereto, and any document or writing delivered to Buyer pursuant to this Agreement shall be true and correct in all material respects as of the Effective Date; and the representations and warranties shall also be true on the Closing Date, as though made on the Closing Date for the period subsequent to the Effective Date, except for changes attributable to the conduct of business in its ordinary course which do not materially and adversely affect Seller. Seller shall deliver to Buyer a certificate dated as of the Closing Date certifying to the fulfillment of this condition.

8.2 Covenants of Seller. Seller shall have duly performed or caused to be performed all of the covenants, acts and undertakings to be performed by them pursuant to this Agreement on or prior to the Closing Date.

8.3 Delivery of Items. Seller and Lizzio shall have delivered to Buyer all items described in Section 10.2 of this Agreement.

8.4 Proceedings and Instruments Satisfactory. All proceedings, corporate or other, to be taken in connection with the transaction contemplated by this Agreement, and all documents incident thereto, shall be satisfactory in form and substance to Buyer; and Seller shall have made available to Buyer for examination the originals or true and correct copies of all records and documents relating to the business and affairs of Seller which Buyer may request in connection with said transaction.

8.5 No Litigation. No investigation, suit, action or other proceeding shall be threatened or pending before any court or governmental agency which in the opinion of Buyer's

counsel is likely to result in the restraint, prohibition or the obtaining of damages or other relief in connection with this Agreement or the consummation of the transactions contemplated hereby, or in connection with any claim against Seller or Lizzio, not disclosed by the Schedules and Exhibits attached hereto.

9. Conditions Precedent to the Obligations of Seller and Lizzio to Close. The obligations of Seller and Lizzio to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction on or before the Closing Date, of each and every one of the following conditions, any of which may be waived, in whole or in part, by Seller or Lizzio for the purpose of consummating such transactions:

9.1 Representations True at Closing. The representations and warranties made by Buyer and Shauf in this Agreement, the Schedules and Exhibits attached hereto and any document or writing delivered to Seller or Lizzio pursuant to this Agreement shall be true and correct in all material respects on the Effective Date. Officers of Buyer shall deliver to Seller and Lizzio a certificate dated as of the Closing Date certifying to the fulfillment of this condition.

9.2 Covenants of Buyer. Buyer and Shauf shall have duly performed all the covenants, acts and undertakings to be performed by Buyer or Shauf pursuant to this Agreement on or prior to the Closing Date.

9.3 Delivery of Items. Buyer and the Shauf shall have delivered to Seller all items described in Section 10.3 of this Agreement.

10. Closing.

10.1 Time and Place of Closing. The Closing shall be held on or before September 10, 2018 at 10:00 a.m., E.D.S.T. time, or such later time and as the parties may agree in writing (the "Closing Date"). The Closing shall be held at the offices of Johnson, Pope, Bokor, Ruppel & Burns, LLP or via digital means or such other place and as the parties may agree in writing.

10.2 Seller's and Lizzio's Performance at Closing. At the Closing, Seller and Lizzio shall deliver to Buyer the following:

(a) Such Bills of Sale, Assignments of the contracts and other instruments of conveyance and transfer of title for the Assets as provided for in Section 2.3(a);

(b) The consents and estoppel certificates of any party to an agreement which is assigned to Buyer hereunder and which agreement requires the consent of such third party;

(c) A complete list of all customers and vendors of Seller with contact information; and

(d) Evidence that the notices have been sent or the approvals or waivers have been obtained as required pursuant to Section 6.1; and

- (e) The Certificate described in Section 8.1.

10.3 Buyer's Performance at Closing. At the Closing, Buyer and/or Shauf shall deliver to Seller the following:

- (a) Wire transfer representing the full amount of the cash payment as described in Section 3.1(a);
- (b) Certificates issued to Seller evidencing ownership representing twenty percent (20%) of the outstanding ownership in Buyer as described in Section 3.1(b);
- (c) The fully executed Buy/Sell Agreement as described in Section 7.2;
- (d) A certified copy of the partnership resolutions authorizing the transactions contemplated under this Agreement; and
- (e) The Certificate described in Section 9.1.

11. Access to Properties and Records. From and after the date of this Agreement, Seller will give to Buyer and its counsel, auditors and other representatives, full access during normal business hours to any information with respect to the Business of Seller as may be reasonably requested from time to time. All information furnished to Buyer under this Agreement which is not otherwise public shall be held confidential and shall be returned to Seller if this Agreement is not consummated.

12. Indemnification.

12.1 Indemnification of Buyer and Shauf by Seller and Lizzio. Seller and Lizzio, jointly and severally, shall indemnify and hold Buyer and Shauf harmless with respect to the following except to the extent covered by collectible insurance:

- (a) All actual out of pocket costs, liabilities or damages (collectively referred to as "Losses") of Buyer or Shauf resulting directly from any misrepresentation or breach of warranty under this Agreement or non-fulfillment of any agreement or covenant under this Agreement on the part of Seller or Lizzio; and
- (b) All judgments, costs, reasonable attorneys' fees and expenses (collectively referred to as "Expenses") incident to any Losses referred to in Section 12.1(a), above.
- (c) The indemnification obligations of Seller and Lizzio under this Section 12.1 shall be limited as follows:
 - (1) The indemnification obligations shall not be applicable to any breach or default by Seller or Lizzio with respect to any representation or warranty which is disclosed in writing or which is discovered by Buyer prior to the Closing. Buyer's sole remedy

for any such breach or default shall be to terminate this Agreement by written notice to Seller and Lizzio.

(2) The maximum liability of Seller and Lizzio shall be fifty percent of the Purchase Price.

(3) Any payment due from Seller under this Section 12.1 shall be payable only to the extent of that portion of the Purchase Price actually received by Seller prior to the time payment becomes due.

(4) The indemnification obligations shall not apply to any Loss unless written notice of the Loss is given to Seller on or before December 31, 2018.

(5) The indemnification obligations shall apply only to Losses which, together with related expenses, exceed \$25,000.

12.2 Indemnification of Seller by Buyer. Buyer and Shauf shall jointly and severally indemnify and hold Seller and Lizzio harmless with respect to the following except to the extent covered by collectible insurance:

(a) All costs, losses, liabilities, damages or deficiencies to Seller resulting from any misrepresentations or breach of warranty under this Agreement by Buyer or the non-fulfillment of any agreement or covenant under this Agreement on the part of Buyer;

(b) All judgments, costs, reasonable attorneys' fees and expenses incident to any of the matters referred to in Section 12.2(a) above;

(c) The maximum liability of Buyer under the indemnification provisions of this Section 12.2 shall be the Purchase Price.

12.3 Defense of Claim. If any action, suit or proceeding shall be commenced against, or any claim or demand be asserted against a party having rights to indemnification pursuant to this Section 12 (the "Indemnitee"), the Indemnitee shall promptly notify the party from whom indemnification is sought ("the Indemnitor") and the Indemnitor shall have the right to assume the entire control of the action, suit or proceeding, including to participate (at its expense and with counsel of its choice), and the Indemnitee shall cooperate fully in all respects with the Indemnitor in any defense, compromise or settlement, including, without limitation, making available to the Indemnitor all pertinent information under the control of the Indemnitee. The Indemnitor shall not compromise or settle any action, suit, proceeding, claim or demand without the prior written consent of the Indemnitee; provided however, that in the event such approval is withheld, the liability of the Indemnitor shall be limited to the total sum representing the amount of the proposed compromise or settlement and the amount of counsel fees accumulated at the time such approval is withheld. Upon discovery of any matter which gives right to a claim for indemnification other than as a result of the bringing of any action, suit, or proceeding or the assertion of any claim or demand, the Indemnitee shall notify the Indemnitor within ninety (90) days of the discovery of such matter as to any particular liability for which indemnification is sought.

13. Non-Competition. Seller and Lizzio (collectively, the "Owner") understands that the nature of Owner's prior ownership of the Business gives Owner access to and knowledge of Confidential Information (as defined herein) and places Owner in a position of trust and confidence with the clients of Buyer. Owner further understands and acknowledges that Buyer's ability to reserve these for the exclusive knowledge and use of Buyer is of great competitive importance and commercial value to Buyer, and that improper use or disclosure by Owner is likely to result in unfair or unlawful competitive activity. Because of Buyer's legitimate business interest as described herein and the good and valuable consideration offered to the Owner, provided that Buyer is in full compliance with the terms of this Agreement and the Buy-Sell Agreement, Owner for the thirty-six (36) month period after Closing, voluntary or involuntary with or without cause, Owner shall not, directly or indirectly, own, manage, operate or control, nor be a proprietor, partner, director, officer of, contractor of, or consultant to, or become financially interested in, any business or enterprise competitive with the Business.

14. Amendment and Waiver. This Agreement may not be modified or amended except by an instrument in writing duly executed by the parties hereto and no waiver of compliance with any provision or condition hereof and no consent provided for herein shall be effective unless evidenced by an instrument in writing duly executed by the party hereto sought to be charged with such waiver or consent.

15. Notices. Notices and requests required or permitted hereunder shall be deemed to be delivered hereunder if mailed with postage prepaid or delivered, in writing:

If to Buyer or Shauf:

MITCHELL E. SHAUF
Manager of General Partner of Buyer

With Copy to:

Derrell L. Comer
Attorney at Law
P.O. Box 973
Gainesville, Texas 76241
Telephone: (940) 665-4111
Fax: (940) 665-4114

If to Seller or Lizzio:

JEFFREY LIZZIO

With Copy to:

Nicholas J. Grimaudo, Esquire
Johnson, Pope, Bokor, Ruppel & Burns, LLP
911 Chestnut Street
Clearwater, Florida 33756

Telephone: 727-461-1818

Fax: 727-462-0365

16. Delivery Date. All Notices, requests, demands, or other communications shall be deemed to have been given on the date personally delivered or, if mailed, on the date received or three business days after the date of mailing, whichever is earlier.

17. Change of Name. Seller Agrees to change its name within ten (10) days of the Closing Date.

18. Miscellaneous.

18.1 Effective Date. Subject to Closing, all transactions under this Agreement shall be deemed to be effective as of the opening of business on September 21, 2018.

18.2 Further Assurances. At any time, either before or after the Closing, Buyer and Seller will execute such additional instruments and take such actions, or cause Lizzio or Shauf to do so, as may be reasonably requested by the other party to confirm, perfect or otherwise carry out the intent and purposes of this Agreement.

18.3 Expenses. All expenses incurred by the parties hereto in connection with or related to the authorization, preparation and execution of this Agreement and the closing of the transactions contemplated hereby, including, without limitation, all fees and expenses of agents, representatives, consultants, counsel and accountants employed by any such party, shall be borne solely by the party which has incurred such expense.

18.4 Entire Agreement. This written document expresses the entire agreement among the parties and supersedes any prior Agreements or understanding concerning the subject of this Agreement. No amendment shall be valid unless it is in writing and signed by all parties.

18.5 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, representatives, successors and assigns.

18.6 Survival of Representations. The representations, warranties and covenants of the parties contained in this Agreement shall be continuing and shall survive the Closing.

18.7 Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions of this Agreement, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

18.8 Attorneys' Fees and Costs. In the event of any dispute arising out of the subject matter of this Agreement, the prevailing party shall recover, in addition to any other damages assessed, attorneys' fees and costs incurred in settling or resolving such dispute. In construing this Agreement, none of the parties hereto shall have any term or provision construed against such party solely by reason of such party having drafted the same.

18.9 Cooperation. Subsequent to the Closing Date the parties agree to cooperate with each other to effect the transactions contemplated under this Agreement and to execute any document necessary to correct any ambiguity or mutual mistake.

18.10 Assignment. This Agreement shall not be assignable by any party without the prior written consent of the other parties.

18.11 Headings. The Section and other headings in this Agreement are included solely as a matter of convenience for reference and are not intended to be a part of this Agreement.

18.12 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

18.13 Schedules and Exhibits. All Schedules and Exhibits attached to this Agreement are, by this reference, incorporated as a part of this Agreement.

18.14 Confidentiality. Except as may be required by law or in connection with obtaining financing and third party approvals and otherwise as may reasonably be necessary to conduct the due diligence inspections under this agreement and consummate the transactions contemplated under this Agreement (such as consultations with attorneys, accountants, financial sources, engineers, etc.), the parties hereto agree that the terms and conditions of this Agreement, the transactions, and the fact the transactions exist, are to remain confidential. Any announcement or notice to third parties or to the public concerning the transactions shall be jointly planned and coordinated by and between Seller and Buyer. No party shall act unilaterally in this regard without the prior written consent of the other, which shall not be unreasonably withheld.

18.15 WAIVER OF JURY TRIAL TO THE EXTENT PERMITTED BY LAW, THE RESPECTIVE PARTIES IN THIS INSTRUMENT AGREE TO AND DO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS CONTRACT.

18.16 Governing Law. This Agreement shall be governed by and construed in accordance with the state of Texas.

[Remainder of this page is intentionally left blank; Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

WITNESSES:

Adam E. Miller
1911 N Bulcher Rd Clearwater, FL
33763

Adam E. Miller
1911 N Bulcher Rd Clearwater, FL
33763

Iskail Childress
109 E. California, Gainesville, TX
76240

Iskail Childress
109 E. California, Gainesville, TX
76240

SELLER:

ULTRA SKIFF, INC.,
a Florida corporation

By: Jeffrey Lizzio
JEFFREY LIZZIO, President

LIZZIO:

Jeffrey Lizzio
JEFFREY LIZZIO

BUYER:

Ultraskiff, LTD
a Texas Limited Partnership

By: Mitchell E. Shauf
Mitchell E. Shauf - Manager of General Partner
Ultraskiff Management Group, L.L.C.

SHAUF:

Mitchell E. Shauf
MITCHELL E. SHAU

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

WITNESSES:

SELLER:

ULTRA SKIFF, INC.,
a Florida corporation

By: _____
JEFFREY LIZZIO, President

LIZZIO:

JEFFREY LIZZIO

BUYER:

Ultraskiff, LTD
a Texas Limited Partnership

Iskail Childress

By: Mitchell E. Shauf
Mitchell E. Shauf – Manager or General Partner
Ultraskiff Management Group, LLC

109 E. California, Gainesville, TX
76240

SHAUF:

Iskail Childress

Mitchell E. Shauf
MITCHELL E. SHAUF

109 E. California, Gainesville, TX
76240

4697317_1

Schedule 2.1(a)

Supplies

- 1.) Main set of S.S. Molds for the Hull and Pedestal Mount. Currently at API.
- 2.) Black Furniture PVC. 1-1/4" black .065" wall: Roughly 1400 feet @ \$0.73 per foot.
- 3.) 1-1/4" black T's roughly 75 pieces left at \$1.07 per T
- 4.) 1-1/4" black ELL's roughly 75 pieces left at \$.86 per ELL
- 5.) 1" x 4" 3mm thick Marine Mat pieces. roughly 300 pieces at \$.33 each
- 6.) Roughly 24 RBC Labels \$.80 each
- 7.) 4ft of 2" Diameter Heat Shrink Tubing
- 8.) Box of Marine Mat 1" Tabs (roughly 200)
- 9.) 2 Sets of Attwood Rod Racks (\$15 each)
- 10.) 2 New Completed Sets of Rotational Stabilizers
- 11.) 2 New Completed Sets of Horizontal Rod Racks
- 12.) 1 Barstool Package, 1 Standard Seat Package, 1 Casting Seat Package
- 13.) 2 Sets of Marine Mat Camo Door Covers
- 14.) 2 used Ultraskiff 360 watercraft that I use for fishing and demos
- 15.) 2 New Ultraskiff 360 watercraft in storage for trade shows
- 16.) 3 used Minn Kota 55 Lb Thrust Motors
- 17.) 1 New Minn Kota 55 Lb Thrust Motor (trade show)
- 18.) 4 used Ever start Deep Cycle Batteries
- 19.) An assortment of a variety of Seat Pedestal Systems
- 20.) 2 Pop up Banner Stands
- 21.) 1 8' x 5' Die Sub Stretch Banner Display
- 22.) 2 - 10' x 10' Retractable Back Wall Displays
- 23.) 10' x 20' Carpet Trade Show Floor Blocks
- 24.) Brochures, Decals, Business Cards
- 25.) A Collection of Fishing Rods, Reels and Lures
- 26.) 1 Asus Laptop PC, 2 Desktop PC's, 3 Monitors, 1 Printer
- 27.) 1 2018 Dodge Ram 1500 Tradesman Work Truck
- 28.) 2 Go Pro Hero 5, 1 Go Pro Hero 6, 1 Go Pro Fusion. Accompanying memory Cards.

Schedule 2.1(b)
Contracts

A. Non-Disclosure Agreements

Australia

- 1) Ben Stewart/James Williams

Benelux

- 1) Tippen Valley

Brazil

- 1) Flavio Astolfi

Canada

- 1) Adventure Power products
- 2) Sanjay Birbal
- 3) Gary Jaeger

China

- 1) Hangzhou Aijilu Trading Co., Ltd

Estonia

- 1) Viimsi Toostuspark

Germany

- 1) Benjamin Meisner

Holland

- 1) Marco Slipjen Funmaster Boats

Israel

- 1) Ori Vardi

Kuwait

- 1) Abdulrahman

Poland

- 1) Tomasz Nowak

Russia

- 1) Igor Ivanov

South Africa

- 1) Kyle Nold
 - 2) Malan Du Toit
- Turkey
- 1) Son Sayfa

U.K.

- 1) James Bryan
- 2) Unique Unique

U.S.A.

- 1) Aventech
- 2) Larry Cole
- 3) Jim Comeaux
- 4) Robert Larson
- 5) Dutchland Manufacturer
- 6) Deep South
- 7) Atlanta Rotomolding
- 8) Discovery Cannel Canada
- 9) Brock Hutchinson
- 10) Ed Mcdounough
- 11) Cabelas
- 12) Scott Reed – Seige Gear LLC
- 13) SMU Productions – Colin Hill
- 14) Chris Rodriguez
- 15) Rob Delgado

B. Vendor Agreements

- 1) Cabelas
- 2) Bass Pro Shops
- 3) Tractor Supply

C. Financing Merchant Agreement

- 1) KRW/Pay Tomorrow

D. Agreement for Design and Development Services

- 1) Scott Reed - Siege Gear LLC

E. Interim Supply Agreements

Australia

- 1) Ben Williams (BILD)

Benelux

- 1) Tippen Valley

Canada

- 1) Adventure Power Products

Kuwait

- 1) Abdulrahman – San Ramon Trading Company

Russia

- 1) Igor Ivanov

China

- 1) Hangzhou Aijilu Trading Co., Ltd

F. International Distributorship Agreements

Canada

- 1) Adventure Power Products

Russia

- 1) Igor Ivanov

U.K.

- 1) James Bryan

G. Domestic Distribution Agreements

1. Joe Archuletta
2. Skip's Placida Marina
3. Leisure Lifestyle Products
4. Idaho Outdoor Solutions
5. Lake Holiday Marina
6. Fish Lake Marine
7. Oz Outdoors
8. RTP Outdoors
9. Fama's Nursery
10. Gerrells Sports Center
11. Daves Marine
12. Pro Tackle

13. Helm Marine Inc.
14. Boat Stuff 4 Less
15. West Texas Marine
16. RightSide 153
17. Hilltop Outdoors
18. Big Frank's Outdoors
19. Cottam Family LLC, (Bella's)
20. Oak Tree Outfitters
21. PC Outdoors (PC Bait and Tackle)
22. Pearson's Sport Shop
23. Summit Lake Game Farm
24. The Reel Shot

Schedule 2.2(k)
Excluded Assets

The following assets are not included in the sale:

- 1) A Collection of Fishing Rods, Reels and Lures
- 2) 1 Asus Laptop PC, 2 Desktop PC's, 3 Monitors, 1 Printer
- 3) 1 2018 Dodge Ram 1500 Tradesman Work Truck
- 4) 2 Go Pro Hero 5, 1 Go Pro Hero 6, 1 Go Pro Fusion. Accompanying memory Cards.
- 5) 3 used Minn Kota 55 Lb Thrust Motors
- 6) 4 used Ever start Deep Cycle Batteries

Schedule 3.2
Liabilities

- 1) SPS Commerce EDI Monthly Fee
- 2) Marine Liability Insurance – Paid until Sept 16th 2018
- 3) Public Storage Monthly Fee
- 4) Home office Expenses Phone/Internet Monthly Fee, Sprint Cell Phone Monthly Fee
- 5) Home Office Utilities - Electricity
- 6) Office 365 – Monthly Fee
- 7) Go Daddy 365 and Web Domains – Paid until 2019/2020
- 8) Weebly Business Website Membership – PAID until 2019

Schedule 5.1(e)
Financial Disclosures

- 1) IRS Tax Returns 2015, 2016 and 2017
- 2) Balance Sheet as of June 5th 2018
- 3) Profit and Loss Jan 1st – June 5th 2018

Schedule 5.1(i)

Leases

NONE

PATENT

REEL: 049894 FRAME: 0901

Schedule 5.1(j)
Intellectual Property

Patent #1. Personal Watercraft US 8,789,487 B2

This is the main patent for the Hull of the boat. Issued July 29th 2014 it will last 20 years until **July 29th 2034.**

Patent #2, System, Method, and Apparatus for Stabilizing a Boat US 10,000,261

Issued on June 19th, 2018 and will last until **June 19th 2038.**

US trademark for the word: **Ultraskiff**

Registration Date: July 7th 2015

Registration #: **4768503**

This will last 10 years until July 7th 2025

Schedule 5.1(l)
Top Customers

1. Cabelas Inc.
2. Hangzhou Aijilu Trading Co.
3. Adventure Power Products

Schedule 5.1(n)
Non-Disclosure Agreements

Australia

- 1) Ben Stewart/James Williams

Benelux

- 1) Tippen Valley

Brazil

- 1) Flavio Astolfi

Canada

- 1) Adventure Power products
- 2) Sanjay Birbal
- 3) Gary Jaeger

China

- 1) Hangzhou Aijilu Trading Co., Ltd

Estonia

- 1) Viimsi Toostuspark

Germany

- 1) Benjamin Meisner

Holland

- 1) Marco Slipjen Funmaster Boats

Israel

- 1) Ori Vardi

Kuwait

- 1) Abdulrahman

Poland

- 1) Tomasz Nowak

Russia

- 1) Igor Ivanov

South Africa

- 1) Kyle Nold
- 2) Malan Du Toit

Turkey

- 1) Son Sayfa

U.K.

- 1) James Bryan
- 2) Unique Unique

U.S.A.

- 1) Aventech
- 2) Larry Cole
- 3) Jim Comeaux
- 4) Robert Larson
- 5) Dutchland Manufacturer
- 6) Deep South
- 7) Atlanta Rotomolding
- 8) Discovery Cannel Canada
- 9) Brock Hutchinson
- 10) Ed Mcdounough
- 11) Cabelas
- 12) Scott Reed – Seige Gear LLC
- 13) SMU Productions – Colin Hill
- 14) Chris Rodriguez
- 15) Rob Delgado