

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT7902065

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	ASSIGNMENT		
CONVEYING PARTY DATA			
Name			Execution Date
ELIO MARTIN			03/03/2021
RECEIVING PARTY DATA			
Name:	LOKAR, INC.		
Street Address:	2545 QUALITY LANE		
City:	KNOXVILLE		
State/Country:	TENNESSEE		
Postal Code:	37831		
PROPERTY NUMBERS Total: 2			
Property Type	Number		
Application Number:	17335147		
Application Number:	63032184		
CORRESPONDENCE DATA			
Fax Number:	(865)269-2673		
<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:	8652692673		
Email:	docketing@blanchard-patent.com		
Correspondent Name:	BLANCHARD HORTON PLLC		
Address Line 1:	PO BOX 5657		
Address Line 4:	OAK RIDGE, TENNESSEE 37831		
ATTORNEY DOCKET NUMBER:	LOKR_0004_ASN		
NAME OF SUBMITTER:	JACOB G. HORTON		
SIGNATURE:	/Jacob G. Horton, Reg. No. 60,876/		
DATE SIGNED:	04/14/2023		
This document serves as an Oath/Declaration (37 CFR 1.63).			
Total Attachments: 14			
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INTELLECTUAL PROPERTY ASSIGNMENT AND BUYOUT AGREEMENT

THIS INTELLECTUAL PROPERTY ASSIGNMENT AND BUYOUT AGREEMENT ("Agreement") is made and entered into, effective as of the 1st day of January, 2020 (the "Effective Date"), by and between Lokar, Inc., a United States corporation organized under the laws of the state of Tennessee and having an address of 2545 Quality Lane, Knoxville, TN 37931, USA (hereinafter "Lokar"), LS Classic LLC, a United States limited-liability company organized under the laws of the state of Ohio and having an address of 8566 Norwalk Road, Litchfield, OH 44253, USA (hereinafter "Assignor"), and Elio Martin, an individual residing in the state of Ohio at 8566 Norwalk Road, Litchfield, OH 44253, USA and being the sole Member of Assignor ("Martin").

WHEREAS, Lokar is in the business of manufacturing and selling aftermarket automobile parts and accessories;

WHEREAS, Assignor is in the business of manufacturing and selling a line of aftermarket automobile parts and accessories under the trademark "LS CLASSIC";

WHEREAS, Assignor is the owner of various existing intellectual property rights pertaining to its line of aftermarket automobile parts and accessories marketed under the trademark "LS CLASSIC" (the "LS Classic Product Line"), including, but not limited to, trademark rights in the mark "LS CLASSIC" for use in connection with aftermarket automobile parts and accessories, design patent applications and provisional patent applications as set forth on Exhibit A, trade secrets pertaining to the design and manufacture of the LS Classic Product Line, and copyrights associated with the content, text and photographs appearing in Assignor's website(s), social media pages and other marketing materials, catalogs, advertising brochures, drawings, prototypes, product packaging, instruction manuals pertaining to the LS Classic Product Line, the corporate name "LS CLASSIC" and the items listed in Paragraph 2(c) below to the extent not already referenced (collectively, the "Intellectual Property");

WHEREAS, in connection with Assignor's operation of its business, Assignor has registered and is using the domain name "lsclassic.com" (hereinafter the "Domain Name") in connection with the marketing and sale of the LS Classic Product Line;

WHEREAS, Lokar desires to acquire ownership of the Domain Name and the Intellectual Property in order to allow Lokar to manufacture and sell the LS Classic Product Line; and

WHEREAS, Lokar, Assignor and Martin have agreed that entering into this Agreement upon the terms and conditions set forth herein is to their mutual benefit.

NOW, THEREFORE, in consideration of the above premises, the mutual covenants and promises herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lokar, Assignor and Martin (sometimes referred to collectively herein as the "Parties" and sometimes individually as a "Party") agree as follows:

1. Recitals. The above recitals are incorporated herein by reference as if fully set forth at this point.
2. Assignments and Sales to Lokar.
 - (a) Assignor and Martin hereby confirm that they did assign, sell, transfer and convey to Lokar, *nunc pro tunc* effective as of the Effective Date of this Agreement, and hereby do assign and transfer to Lokar any and all ownership, right, title, and interest in and to the Domain Name and all domain names registered

by, or on behalf of, Assignor and/or Martin that Lokar determines are used in connection with the advertising or sale of the LS Classic Product Line or that consist of, incorporate, or are confusingly similar to, the mark "LS CLASSIC", including, but not necessarily limited to, the domain name "lsclassic.com". As of the Effective Date of this Agreement, Assignor and Martin, to the extent Martin has any interest, further hereby sells, assigns, transfers and conveys to Lokar all tangible assets and existing customer orders set forth in the Bill of Sale attached hereto as **Exhibit B** to the extent assignable, all monies deposited by such customers with regard to such orders, and all right to collect any revenues outstanding on such orders.

(b) Assignor and Martin hereby confirm that they did assign, sell, transfer and convey, *nunc pro tunc* effective as of the Effective Date of this Agreement, and hereby further do sell, assign, transfer and convey to Lokar any and all ownership, right, title, and interest in and to the corporate name "LS CLASSIC". Assignor and Martin shall execute and deliver documentation effective as of the Effective Date to Lokar that is satisfactory to Lokar in all respects for filing with the Secretary of State of the State of Ohio necessary to legally change Assignor's corporate name in the State of Ohio and in any other states where Assignor is registered to do business from LS CLASSIC LLC to a name distinguishable (as determined by Lokar in its sole discretion) from Assignor, Lokar and any of Lokar's affiliates.

(c) Assignor and Martin hereby confirm that they did assign, sell, transfer and convey, *nunc pro tunc* effective as of the Effective Date of this Agreement, and hereby do sell, assign, transfer and convey to Lokar any and all ownership, right, title, and interest in and to the Intellectual Property, including, but not limited to:

- (i) All common law trademarks and all trademark applications and registrations for trademarks filed by or on behalf of Assignor or any of Assignor's principals, owners, or related companies (including, but not limited to, Martin) that Lokar determines are used in connection with the advertising or sale of the LS Classic Product Line or that consist of, incorporate, or are confusingly similar to, the mark "LS CLASSIC", including, but not limited to, the common law trademark "LS CLASSIC", together with any and all goodwill associated therewith;
- (ii) All patents and patent applications filed by, or on behalf of, Assignor, Martin, or any of Assignor's principals, owners, or related companies for products or features of products within the LS Classic Product Line, including, but not limited to those design patent applications and provisional patent applications listed on **Exhibit A**, and all inventions, improvements and original product designs owned by Assignor, Martin, or any of Assignor's principals, owners, or related companies that pertain to the LS Classic Product Line, together with all rights of action on the account of past, present, and future unauthorized use of said inventions, all past, present, and future infringement of the patents, and all international rights of priority associated with the patents and the inventions described therein;
- (iii) All original works of authorship created by, or on behalf of, Assignor, Martin, or any of Assignor's principals, owners, or related companies used in the design, manufacture, packaging, advertising, or sale of the LS Classic Product Line, including, but not limited to, all right, title and interest in and to all U.S. and foreign copyrights for such works, all U.S. and foreign copyright registrations and any other registrations that have issued or may issue for such works, all U.S. and foreign copyright renewal rights and any other renewal rights for such works, all U.S. and foreign copyright renewal registrations and any other renewal registrations that have issued or may issue for such works, all U.S. and foreign copyright applications and any other applications filed for such works, all common law

rights in and to such works, all rights of action for past and future infringement of copyrights in and to such works, infringement of any other rights in and to such works, all causes of action and claims for past damages with respect to such works, all rights of reproduction, publication, display, performance, recordation and distribution of such works; the right to create derivative works, compilations and collective works based upon and/or incorporating such works; and any and all other rights in and to such works; and

- (iv) All trade secrets, confidential business information, and know-how pertaining to the design, manufacture, packaging, advertising, or sale of products within the LS Classic Product Line.

(d) Upon execution of this Agreement and for the Term (defined below) thereof, except as provided for in this Agreement and in the Joint Development Agreement entered into by the Parties of even date herewith (the "Joint Development Agreement"), Assignor and Martin will (i) cease using the Domain Name and the Intellectual Property and (ii) only use the "Jointly Developed Intellectual Property," as that term is defined in the Joint Development Agreement, as set forth in the Joint Development Agreement. The Parties acknowledge that on and after the Effective Date all use of the Domain Name and the Intellectual Property shall inure to the benefit of Lokar. As of the Effective Date, Assignor and Martin will cease taking customer orders for any products or services that fall within the LS Classic Product Line or that compete directly with the LS Classic Product Line and will immediately direct all such customers to Lokar.

(e) Assignor and Martin each agree to execute and deliver to Lokar any affidavits, declarations, oaths, exhibits, assignments, powers of attorney, or other documents, as may be necessary to (i) effect, evidence, or perfect the assignment of the Domain Name and the Intellectual Property to Lokar, or to any assignee or successor thereto and (ii) otherwise carry out the provisions of, and the intention of the Parties as expressed in, this Agreement and the Joint Development Agreement.

(f) Assignor and Martin, jointly and severally, represent and warrant to Lokar that, to the best of Assignor's and/or Martin's knowledge after a reasonable inquiry, Assignor is the owner of the Domain Name and the Intellectual Property, including, but not limited to, the common law trademark "LS CLASSIC" for use in connection with the LS Classic Product Line, and that Assignor and Martin each have standing to enter into this Agreement; that no other persons or entities have the right to use the mark "LS CLASSIC, either in identical form or in such near resemblance as to be likely, when used on or in connection with the goods or services of such other persons or entities, to cause confusion or mistake, or to deceive; that no U.S. federal trademarks or trademark applications exist for the mark "LS CLASSIC" for use in connection with goods or services in such a manner as to be likely, when used on or in connection with such goods or services, to cause confusion or mistake, or to deceive; and that no patents or patent applications have been filed for any products or features of the LS Classic Product Line except those listed on Exhibit A.

(g) Assignor and Martin, jointly and severally, represent and warrant to Lokar that the Domain Name and the Intellectual Property are free and clear of all liens and encumbrances of any nature whatsoever.

(h) Assignor and Martin, jointly and severally, represent and warrant to Lokar that Martin is the sole Member of Assignor, owning 100% of the Membership Interests in Assignor.

(i) Assignor and Martin, jointly and severally, represent and warrant to Lokar that the customer orders and customer deposits listed on Schedule 1 to Exhibit B are assignable to Lokar and as of the Effective Date, are the only customer orders outstanding and the only deposits associated with such orders.

(j) Assignor and Martin, jointly and severally, represent and warrant to Lokar that none of the items listed on Schedule 1 to **Exhibit B** are in the possession of any third-party, except as set forth on said Schedule 1.

(k) Assignor and Martin, jointly and severally, represent and warrant to Lokar that neither the execution and delivery of this Agreement or the Joint Development Agreement, nor the consummation of the transactions herein contemplated or compliance with the terms and provisions hereof will conflict with or result in a breach of, or require any consent under, (i) organizational documents of Assignor, (ii) any applicable law or regulation, (iii) any order, writ, injunction or decree of any court, or (iv) any agreement or instrument (A) to which Assignor or Martin is a party or by which either or both are bound or (B) to which Assignor or Martin or any of Assignor's or Martin's property or assets is subject.

(l) Assignor and Martin, jointly and severally, represent and warrant to Lokar that (i) Martin is duly and validly authorized to sign on behalf of Assignor, and (ii) Assignor has full right and authority to enter into this Agreement and the Joint Development Agreement and perform all of its obligations thereunder.

(m) All representations and warranties (above and in Paragraph 7) of Assignor and Martin are true and correct as of the Effective Date, and except with regard to the rights acquired by Lokar hereunder, shall remain true and correct during the Term.

3. **Payment.** In consideration of the obligations, representations and warranties of Paragraphs 2(a) – 2(m) of this Agreement and the other mutual covenants and promises herein contained, Lokar shall make payment to Assignor in accordance with the terms set forth on **Exhibit C** attached hereto and incorporated herein by reference.

4. **Term, Termination & Termination Option.**

(a) The term of this Agreement ("Term") shall continue from the Effective Date hereof until the earlier of the death of Martin or Lokar's exercise of its right to terminate under Paragraph 4(b) hereof ("Termination Date"). Expiration or termination of this Agreement will not relieve the Parties of any obligations accruing before the Termination Date.

(b) This Agreement may be terminated by Lokar without cause upon ninety (90) days' prior written notice to Assignor and Martin ("Termination Option").

(c) The rights and obligations of the Parties set forth in Paragraphs 2-20, and any right, obligation, or required performance of the Parties under this Agreement that, by its express terms or nature and context is intended to survive expiration or termination of this Agreement, will survive any such expiration or termination.

5. **Obligations Upon Termination.**

(a) Upon the death of Martin, unless Lokar has previously exercised its Termination Option under Paragraph 4(b) above, Assignor will receive payment in the amount of the Buyout Price set forth on **Exhibit D** (the "Buyout Price"). The Buyout Price shall be payable to Assignor as further set forth on Schedule 1 to **Exhibit D**.

(b) In the event that Lokar exercises its Termination Option under Paragraph 4(b) above, Lokar shall, as soon as possible, but in any case no later than thirty (30) days after the Termination Date, assign and transfer to Assignor ownership of all Intellectual Property and the Domain Name, as well as any and all

portions of the "Jointly Developed Intellectual Property," as that term is defined in the Joint Development Agreement, comprising patent rights, copyrights, or trade secret rights for any products that have, as of the Termination Date, been marketed or sold under the trademark "LS CLASSIC," together with all rights of action for past and future infringement of such rights and all international rights associated therewith. Thereafter, Lokar shall cease any and all use of any Intellectual Property, the Domain Name, and any portions of the Jointly Developed Intellectual Property assigned to Assignor; provided, however, Lokar will be allowed a period of six (6) months following the Termination Date to deplete its existing inventory with only the obligation to make payments to Assignor in connection with the sale of such inventory in accordance with the payment terms set forth on Exhibit C. Upon written notification to Assignor and Martin of Lokar's intent to exercise the Termination Option, Assignor and Martin will each immediately terminate any and all use of, and will forever refrain from any use in the future of, any trademark or service mark comprising or incorporating the term "LOKAR", or any confusingly similar variation thereof, in connection with any products or services in any way relating to automobile parts and accessories or to the automotive field. In the event the Termination Option is exercised by Lokar, the Parties agree that the Split Dollar Life Insurance Agreement attached hereto as Schedule 1 to Exhibit D shall terminate and Lokar shall have the right and power to designate another beneficiary or beneficiaries to receive the life insurance policy proceeds payable on Martin's death. The Parties acknowledge and agree that nothing in the foregoing Paragraph 5(b), in this Agreement, or in the Joint Development Agreement, will be interpreted to establish any obligation of Lokar at any time or under any circumstances to assign or transfer to Assignor or to Martin any rights of Lokar in any trademark or service mark comprising or incorporating the term "LOKAR", or in any confusingly similar variation thereof, or to any of the goodwill associated therewith, or to any intellectual property rights that were owned by Lokar prior to the Effective Date of this Agreement.

(c) Upon the death of Martin or the exercise of Lokar's Termination Option under Paragraph 4(b) above, all payment obligations to Assignor pursuant to Paragraph 3 of this Agreement shall cease except for payments due prior to the Termination Date and payments due in connection with the depletion of existing inventory pursuant to Paragraph 5(b) above.

6. Rights & Remedies.

(a) The obligations set forth in Paragraphs 5(a), 5(b) and 5(c) above will be construed as independent of any other provisions, rights, and/or obligations of this Agreement, and the existence of any claim or cause of action of any Party against any other Party, whether based on this Agreement, the Joint Development Agreement or otherwise based, will not constitute a defense to the enforcement of the obligations of Paragraphs 5(a), 5(b) or 5(c).

(b) Subject to the provisions of Paragraphs 6(a) above, each Party has, shall retain, and may exercise all rights and remedies available to it arising from or relating to any breach or violation of this Agreement or the Joint Development Agreement by the other Party. All rights and remedies of either party hereto are cumulative of each other and of every other right or remedy such party may otherwise have at law or in equity, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

(c) Lokar has, shall retain, and may exercise all rights and remedies available to Lokar arising from or relating to any misuse of the Intellectual Property, the Domain Name, or the Jointly Developed Intellectual Property by Assignor or Martin prior to the Termination Date, or any other use of the Intellectual Property, the Domain Name, or the Jointly Developed Intellectual Property by Assignor or Martin not expressly permitted under the provisions of this Agreement.

(d) The Parties shall have such indemnification rights and obligations and such additional remedies as set forth in the Joint Development Agreement of even date herewith. The rights of Lokar to indemnification or any other remedy under this Agreement shall not be impacted or limited by any knowledge that Lokar may have acquired, or could have acquired, whether before or after the Effective Date, nor by any investigation or diligence by Lokar. Assignor and Martin hereby acknowledge that, regardless of any investigation made (or not made) by or on behalf of Lokar, and regardless of the results of any such investigation, Lokar has entered into this transaction in express reliance upon the representations and warranties Assignor and Martin made in this Agreement.

7. Infringement. As of the date of this Agreement, Assignor and Martin, jointly and severally, represent and warrant to Lokar that there is no settled, pending or threatened litigation, claim or proceeding alleging (i) that the Intellectual Property or the Domain Name are invalid or unenforceable (including any interference, nullity, opposition, *inter partes*, or post-grant review or similar invalidity or patentability proceedings before the United States Patent and Trademark Office or any foreign patent or trademark office); or (ii) that the use or commercialization of the Intellectual Property or the Domain Name does or would infringe, misappropriate or otherwise violate any intellectual property right of any third-party; or (iii) any product liability claim involving any product of Assignor. If Assignor or Martin becomes aware of any known or suspected infringement of any patent, trademark, copyright, and/or other right(s) of Lokar in and to the Domain Name or the Intellectual Property; or if Assignor or Martin becomes aware of any third-party allegations or claims that the Domain Name or any of the trademarks included in the Intellectual Property are liable to cause deception or confusion to the public; or if Assignor or Martin becomes aware of any third-party allegations or claims that any of the products within the LS Classic Product Line are known or suspected to infringe any right of any third-party; Assignor and/or Martin shall promptly notify Lokar thereof. Lokar shall have the sole and exclusive right to determine what, if any, action will be taken regarding any such infringement or allegations.

8. No Assignment. This Agreement, and Assignor's and Martin's rights, obligations, and benefits hereunder, may not be assigned, sublicensed, transferred, hypothecated, pledged, conveyed, or encumbered by Assignor or Martin or by operation of law without Lokar's prior written consent which consent may be unreasonably withheld.

9. Pursuit and Maintenance of Intellectual Property Rights and Domain Name. It shall be within the sole discretion of Lokar whether to file any applications for registration, and whether to maintain and/or renew any and/or all registrations issued for any copyrights or trademarks within the Intellectual Property. It shall be within the sole discretion of Lokar whether to file any applications for letters patent for any products or features of products within the LS Classic Product Line. Neither Assignor nor Martin shall take any action to file or pursue any patent application for any product or feature of a product within the LS Classic Product Line absent the prior written consent of Lokar. Neither Assignor nor Martin shall take any action to file, maintain, and/or renew any copyright or trademark registrations pertaining to any of the Intellectual Property, without the express written consent of Lokar. Neither Assignor nor Martin shall take any action to maintain, modify and/or renew the Domain Name, without the express written consent of Lokar. It shall further be within the sole discretion of Lokar whether and to what extent to commercialize, develop, or bring to market any of the Intellectual Property or any of the products or product designs within the LS Classic Product Line.

10. Acknowledgement of Sufficient Consideration. The Parties acknowledge that the above-described obligations of assignment from Assignor and from Martin to Lokar, the right and obligation of Lokar to provide the Buyout Price to Assignor at the death of Martin, and the obligations of assignment from Lokar to Assignor in the event Lokar exercises its Termination Option constitute good, valuable, and sufficient

consideration of this Agreement by all Parties, and that no additional consideration shall be necessary for the validity of this Agreement.

11. Choice of Law. This Agreement is to be construed in accordance with the laws of the State of Tennessee in the United States of America, as if all aspects of the Agreement were to be performed in Tennessee, provided that all questions concerning the construction or effect of patent applications and patents shall be decided in accordance with the laws of the country in which the particular patent application or patent has been filed or granted, as the case may be. Assignor and Martin expressly consent to the personal and/or corporate jurisdiction and venue of all courts of the State of Tennessee in the United States of America and the U.S. District Court for the Eastern District of Tennessee in the United States of America regarding any cause of action against Assignor or Martin arising under this Agreement or arising out of the subject matter relating to this Agreement.

12. No Waiver or Modification. None of the provisions of this Agreement may be waived, amended, modified, or supplemented except by an agreement in writing executed by all of the Parties. Any Party's failure to enforce, or delay in enforcing, any of its rights hereunder will not be deemed a continuing waiver or modification of this Agreement; and any Party may commence appropriate legal proceedings to enforce any of its rights hereunder within the time provided by applicable law. The waiver of any breach or default hereunder will not constitute a waiver of any prior or subsequent breach or default of the same or any other provision(s) of this Agreement.

13. Notices. All notices shall be made in writing and shall be deemed to have been properly given if sent by certified mail return-receipt requested, facsimile, electronic mail, or by hand delivery to a Party at the address provided by said Party above, or subsequently identified in writing by said Party prior to such notice being sent. Unless otherwise provided herein, any notice so addressed and delivered shall be deemed effective: the date of receipt thereof if hand delivered; and, five (5) business days after transmission thereof if transmitted by any other authorized means. Delivery by facsimile or electronic mail shall be simultaneously confirmed by certified mail return-receipt requested. If a Party's address changes, it will promptly notify the other Party of the address change.

14. Time Is of the Essence. Lokar, Assignor and Martin acknowledge and agree that time is of the essence of this Agreement.

15. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will be deemed to be one and the same agreement. A signed copy of this Agreement delivered by e-mail or other means of electronic transmission will be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

16. Headings. The headings in this Agreement are for convenience only. Said headings shall not be used in interpreting this Agreement and shall not otherwise affect the meaning or interpretation of this Agreement.

17. Exhibits. All exhibits and schedules attached hereto and referred to herein are incorporated into this Agreement by this reference and constitute a part hereof.

18. Severability and Reform. If any provision(s) of this Agreement, or its application to a person or circumstance, is determined to be illegal, invalid or unenforceable by the highest court of competent jurisdiction from which there is no right of appeal, said provision(s) will be severed herefrom, and the Parties will continue to be bound by the remaining provisions. The severed provision(s) will be replaced with a legal, valid, and enforceable provision(s) that is as close as possible in meaning to the severed

provision(s). In the event that any of the provisions of this Agreement should be deemed to exceed the time limitation permitted by the applicable laws, then such provisions shall be reformed to the maximum time limitations permitted by such laws.

19. Binding Effect. Subject to the provisions of Paragraph 8 above, this Agreement shall be binding upon, and inure to the benefit of, the Parties and their heirs, administrators, successors, and assigns.

20. Opportunity to Consult with Counsel. Each Party acknowledges that it has had the opportunity to be represented by separate, independent counsel in the negotiation and execution of this Agreement and all Exhibits and Schedules hereto, that any such respective attorneys were of its own choosing, that each Party or authorized representative of such Party signing these documents has read them in their entirety and that he or she understands their meaning and legal consequences to each Party. The Parties warrant and represent that they have had sufficient time to consider whether to enter into this Agreement and the Exhibits and Schedules hereto and that they are relying solely on their own judgment in deciding to execute this Agreement. The Parties further agree that any rule that provides that an ambiguity within a document will be interpreted against the Party drafting such document shall not apply.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date set forth below, but the Parties hereby agree that this Agreement is effective as of the day and year first above written..

[Signature Page to Follow on Next Page]

Lokar:

LOKAR, INC.

By: Debra L. Walls
Debra L. Walls, Secretary

Date: 3-3-2021

Assignor:

LS CLASSIC LLC

By: Elio Martin
Elio Martin, President

FEIN: 47-4430998

Date: 3-3-2021

Martin:

ELIO MARTIN

Elio Martin
Elio Martin, individually

Date: 3-3-2021

Intellectual Property Assignment Agreement - Exhibit A

Design Patents and Provisional Patents

United States Design Patent Application No. 29/736,404, filed on May 29, 2020;

United States Provisional Patent Application No. 63/032,184, filed on May 29, 2020;

United States Provisional Patent Application No. 63/032,165, filed on May 29, 2020.

Intellectual Property Assignment Agreement - Exhibit B

Bill of Sale

Intellectual Property Assignment Agreement - Exhibit C

Payment Terms

During the Term of this Agreement, Lokar shall pay to Assignor 13.2% of the Shared Gross Profits collected by Lokar on products manufactured, marketed and sold by Lokar under the trademark LS Classic using the Intellectual Property and the Jointly Developed Intellectual Property (collectively, the “LS Classic Products”) less a guaranteed amount payable to Assignor of no less than \$8,333.33 per full calendar month during the Term of this Agreement (*i.e.*, a guaranteed amount of \$100,000.00 for each twelve full calendar month period beginning November 1st and ending October 31st each year during the Term of this Agreement) For purposes of this calculation, the following definitions apply:

“Shared Gross Profits” means the Overall Sales of LS Classic Products minus the (COGS) Cost of Goods Sold for the LS Classic Products.

“Overall Sales” means the net revenue invoiced and collected by Lokar for the LS Classic Products during the Calculation Period after having applied any rebates, discounts, credits, warranty claims, and/or guarantees given to LS Classic Product customers and distributors and having posted all customer and distributor returns based on Lokar’s customary return practices as amended from time to time in the sole discretion of Lokar.

“(COGS) Cost of Goods Sold” means all direct and indirect costs of producing the LS Classic Products, including, but not limited to: all commissions (except commissions due Assignor pursuant to this Agreement); material value included in sold items; fully loaded direct labor including benefits value included in sold items; overhead value included in sold items; freight charges in outgoing shipments; freight charges incurred for acquiring the raw materials and inventory; scrap; taxes, fees and duties for purchases; and packaging materials for sold items.

“Calculation Period” for the first year of this Agreement shall be the period from January 1, 2020 until the earlier of October 31, 2020 or the Termination Date, and for each year thereafter during the Term of this Agreement shall be the period from November 1st through the earlier of October 31st of the following year or the Termination Date.

The payment schedule for all payments due to Assignor pursuant to this **Exhibit C** is as follows:

During the Term of this Agreement, Lokar shall pay Assignor \$8,333.33 per calendar month on or before the twentieth (20th) day of each month for the prior month period, based on the annual guaranteed amount payable to Assignor of no less than \$100,000.00 for each twelve full calendar month period beginning November 1st and ending October 31st.

After October 31st of each year during the Term of this Agreement, Lokar shall calculate the Shared Gross Profit for the prior twelve month period ending October 31st, and on or before December 31st of the same year, Lokar shall make a payment to Assignor of 13.2% of the Shared Gross Profit less \$100,000.00 if the result of such calculation is a positive number. If the result of such calculation is either zero or a negative number, Lokar shall not owe Assignor any further payment hereunder for the prior twelve month period.

For the avoidance of doubt, if the Shared Gross Profit for the twelve month period beginning November 1, 2020 and ending October 31, 2021 is \$875,000.00, Lokar would pay Assignor the sum of \$15,500.00 (*i.e.*, $\$875,000.00 \times 13.2\% = \$115,500.00 - \$100,000.00 = \$15,500.00$) on or before December 31, 2021.

If the Shared Gross Profit for the twelve month period beginning November 1, 2020 and ending October 31, 2021 is \$757,575.76 or less, Lokar would not pay Assignor any additional amount on or before December 31, 2021 (*i.e.*, $\$757,575.76 * 13.2\% = \$100,000.00 - \$100,000.00 = \0 , Assignor having already received the \$100,000.00 guaranteed amount payable in monthly installments of \$8,333.33 per month for the twelve month period of November 1, 2020 through October 31, 2021.

Notwithstanding anything herein to the contrary, for any short year during the Term of this Agreement, such as the first year of this Agreement beginning January 1, 2020 and ending October 31, 2020, the year of Martin's death or any year where the Termination Date falls other than on October 31st, the parties agree that for purposes of the above-described calculation and to determine the guaranteed monthly amount payable to Assignor for the final month in the Calculation Period, the monthly guaranteed amount for the last month in the Calculation Period shall be pro-rated based on the total number of calendar days between the first day of such month and the last day of the Calculation Period.

For the avoidance of doubt, if the Termination Date is September 15th of a given year, Lokar shall owe Assignor a guaranteed monthly amount for September of such year of \$4,166.70 (*i.e.*, $\$277.78/\text{day}^1$ for the 15 days in September) due on October 20th of such year. If the Shared Gross Profit for the period beginning November 1st and ending September 15th is \$700,000.00, Lokar would pay Assignor the sum of \$4,900.00 (*i.e.*, $\$700,000.00 * 13.2\% = \$92,400.00 - \$87,500.00$ (*i.e.*, $\$83,333.33^2 + \$4,166.70^3$) = \$4,900.00) as its share of Shared Gross Profit on or before December 31st.

If the Shared Gross Profit for the twelve month period beginning November 1st and ending September 15th is \$662,878.79 or less, Lokar would not pay Assignor any additional amount on or before December 31st (*i.e.*, $\$662,878.79 * 13.2\% = \$87,500.00 - \$87,500.00 = \0 , Assignor having already received the \$87,500.00 guaranteed amount payable in monthly installments of \$8,333.33 per month for the period of November 1st through August 31st and a final pro-rated payment of \$4,166.70 on October 20th.

¹ $\$8,333.33/30$ (number of days in September) = \$277.78.

² The total of the guaranteed monthly amount of the payments November – August (10 months).

³ The pro-rated monthly amount of the payment for the period of September 1st to September 15th.

Intellectual Property Assignment Agreement - Exhibit D

Buyout Price

In the event of Martin's death, unless Lokar has previously exercised its Termination Option under Paragraph 4(b) of this Agreement, the Buyout Price is the amount payable to Assignor under and subject to the terms of the Split-Dollar Life Insurance Agreement and associated life insurance policy issued by New York Life Insurance Company attached hereto and incorporated herein as Schedule 1 to this **Exhibit D**. The Parties acknowledge that the policy contains certain exclusions, such as suicide within two years after the Policy Issue Date (as defined in said policy), and also contains a contestable period during which the insurance carrier can contest the policy under certain circumstances, such as fraud in the procurement of such policy. The Parties acknowledge that these and other provisions of the policy could impact the amount payable to Assignor.