

## LETTER OF INTENT

February 15, 2019

This Offer is transmitted to express our mutual intention to complete a transaction under the general terms and conditions as follows:

Seller: Universal Mfg. Co.

Buyer: Robert Pazderka or assigns

Transaction: Purchase of all membership interests in Ultra Armoring, LLC, a North Carolina limited liability company ("UA")

Closing: Closing to occur on or before March 15, 2019

Consideration:

- \$1,000,000 cash at Closing.
- Buyer will pay \$3,500 to Seller for each vehicle awarded to TAG and/or Ultra Armoring under the BPA during UA fiscal years 2020-2022. Payment is due to Seller within 30 days after delivery date of each vehicle.
- At Closing, a balance sheet will be prepared and the net difference between current assets and liabilities will be calculated, ("Current Net Balance"). Upon completion of project P32, the gross profit from P32 earned after Closing, plus or minus the Current Net Balance will become payable to Seller. Furthermore, the Company shall be delivered at Closing free and clear of any long-term liabilities, encumbrances, leases or mortgages.
- Seller will provide representations and warranties in the stock purchase agreement as are customary for the size and type of this transaction.

BPA Assignability: Prior to Closing, UA will confirm the transferability of its participation in the United States Department of State BPA


Other Terms: The following are general terms and conditions of this Offer:


- With the exception of any fees owed by Seller to Charter Hill Partners LLC, both parties agree that no broker or similar fees will be paid by either party unless agreed to in writing.
- This proposed transaction shall be kept confidential unless and until such time as the transaction closes.
- This letter of intent shall be governed by the Laws of the State of North Carolina.

- This letter of intent does not bind either party to this transaction or any enforceable obligation to consummate the proposed transaction.

If the foregoing terms and conditions meet your approval, please indicate by signing below and returning to me.

Thank you for your consideration,

  
\_\_\_\_\_  
Robert Pazderka and/or his assigns



Agreed and accepted this 18th day of February, 2019:

UNIVERSAL MFG. CO.

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Donald Dunn, Chief Executive Officer