

PURCHASE AND SALE AGREEMENT

This purchase and sale agreement ("**Agreement**") is dated as of February 29, 2012 (the "**Effective Date**") and made by and among Paul De Toni and Virginia De Toni (collectively, "**Sellers**"), and Latitudes & Attitudes, Inc., a California corporation ("**Buyer**") and Dennis "DJ" Doran ("**Guarantor**"). Buyer, Guarantor and Sellers may be referred to herein collectively as the "**Parties**" or individually as a **Party**.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

1. PURCHASE AND SALE. Buyer hereby agrees to purchase and Sellers hereby agree to sell to Buyer a 56 ft. Formosa sailboat known as the "Lost Soul," which sailboat is more particularly described in Section 2 below (the "**Boat**").

2. DESCRIPTION OF THE BOAT; LOCATION OF THE BOAT. The Boat is a fifty six foot (56') long 1981 Formosa Boat Building Co. LTD., Formosa Sailboat known as "The Lost Soul," #981653, Ketch (Serial Number Hull #CFZ1289H1082M). The Boat is currently docked at Pier 32 Marina in San Diego, California.

3. PURCHASE PRICE AND OTHER PAYMENTS; PAYMENT TERMS. The purchase price for the Boat is Two Hundred Eighty Thousand Dollars (\$280,000.00). Buyer shall pay the purchase price to Sellers as follows: (i) Buyer shall pay Sellers a non-refundable deposit of Ten Thousand Dollars (\$10,000) (the "**Deposit**") on or before March 16, 2012; (ii) Buyer shall pay the balance of the purchase price in the amount of Two Hundred Seventy Thousand Dollars (\$270,000.00) (the "**Purchase Price Balance**") on or before the one (1) year anniversary of the Effective Date (the "**Closing Date**"), as determined by Buyer. Buyer shall give Sellers notice of the Closing Date determined by Buyer at least ten (10) days prior to such Closing Date. Sellers may immediately take possession of the Deposit and use it for any purposes whatsoever. The Deposit shall not be refundable to Buyer except for Sellers' failure or refusal to transfer title to the Boat to Buyers at the closing of the transaction (the "**Closing**") on the Closing Date.

Beginning on the Effective Date and continuing through the Closing Date, Buyer shall pay Sellers \$1,500 per month (the "**Monthly Payments**") with each such Monthly Payment due and payable on the 1st day of each consecutive month following the Effective Date; provided, however, that the payment due for March 2012 shall be paid on March 16, 2012 and shall be prorated for the month of March so that the amount due for March 2012 shall be \$750.00. From and after the Effective Date Buyer shall pay all other costs, fees, taxes, insurance premiums and all other amounts required to keep the Boat in the same condition it was in on the Effective Date. Such other amounts include without limitation taxes, slip fees, insurance premiums and the costs of all maintenance and repair. Sellers may elect either to (i) pay certain amounts directly, such insurance premiums and taxes, in which case Buyer shall reimburse Sellers immediately upon demand, or (ii) required Buyer to pay such amounts directly. Sellers may require Buyer to pay

some such costs directly and reimburse other such costs and may change how such items are paid from time to time prior to the Closing Date by giving Buyer notice of such changes.

At the Closing, Buyer shall pay the Purchase Price Balance and will receive a credit against the Purchase Price Balance equal to the total amount of the Monthly Payments received by Sellers prior to the Closing Date. At the Closing and upon receipt of the Purchase Price Balance, Sellers shall transfer title of the Boat to Buyer free and clear of encumbrances, including the lien of the Lender (defined below), except for any such encumbrances that attach because of Buyer's actions. Buyer shall pay any and all costs incurred in connection with the Closing.

4. OWNERSHIP. Sellers are the lawful owner of the Boat and it is free of all encumbrances and any and all legal claims, except for the security interest of Mountain West Bank of Kalispell, N.A. (the "**Lender**"). Sellers shall retain title to the Boat until the Closing at which time Sellers shall pay off the loan from the Lender and deliver title to the Boat to Buyer. Sellers have the right to sell the Boat to Buyer; provided, however, that such sale requires (i) Lender's prior written approval, or (ii) that the loan from Lender be paid off in full and Lender's lien released.

5. DISCLAIMER OF WARRANTIES. Sellers are selling the Boat and Buyer is purchasing the Boat "**AS IS, WHERE IS**" without any representations or warranties of any kind whatsoever, except that Sellers warrant that they own the Boat and have the right to sell the Boat to Buyer, subject to the provisions of paragraph 4 above. Buyer has had the opportunity to inspect the Boat and to make any investigation or evaluations of the Boat it desired and deemed necessary to evaluate its decision to purchase the Boat and enter into this Agreement. Buyer acknowledges that Sellers have provided Buyer all information it requested and has given Buyer the opportunity to do its due diligence investigation.

BUYER UNDERSTANDS AND AGREES THAT SUCH WARRANTY OF TITLE DESCRIBED IN THE PREVIOUS PARAGRAPH IS THE **ONLY** WARRANTY, EXPRESS OR IMPLIED, MADE BY SELLERS WITH REGARD TO THE BOAT UNDER THIS PURCHASE AGREEMENT OR OTHERWISE. SELLERS MAKE NO OTHER EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS REGARDING EITHER LATENT OR PATENT DEFECTS IN THE BOAT, OR ANY COMPONENTS THEREOF, OR FIXTURES OR PERSONAL PROPERTY INSTALLED OR LOCATED THEREIN, OR AS TO THE HABITABILITY, MERCHANTABILITY, FITNESS, OR QUALITY THEREOF AND HEREBY DISCLAIMS ANY SUCH WARRANTIES AND REPRESENTATIONS, TO THE FULLEST EXTENT ALLOWED BY LAW.

TO THE FULLEST EXTENT ALLOWED BY LAW, BUYER WAIVES ALL IMPLIED WARRANTIES RELATING TO THE BOAT, INCLUDING ALL IMPLIED WARRANTIES AS TO EITHER LATENT OR PATENT DEFECTS IN THE BOAT, OR ANY COMPONENT THEREOF, OR FIXTURES OR PERSONAL PROPERTY INSTALLED OR LOCATED THEREIN OR THE MERCHANTABILITY, FITNESS, OR QUALITY THEREOF. BUYER ALSO WAIVES THE RIGHT TO SEEK DAMAGES OR OTHER LEGAL OR EQUITABLE REMEDIES UNDER ANY OTHER COMMON LAW OR STATUTORY

THEORY OF LIABILITY, INCLUDING, BUT NOT LIMITED TO NEGLIGENCE AND STRICT LIABILITY.

6. SECURITY INTEREST.

6.1 Sellers shall retain title (and the certificate of title) to the Boat until the Closing and payment in full of the Purchase Price and the Parties intend that this Agreement is for the purchase of the Boat at the Closing rather than a purchase of the Boat on the Effective Date. However, to the extent that this Agreement is construed or interpreted to be a sale of the Boat on the Effective Date (rather than at the Closing) a lien may also be recorded on the title of the boat that Sellers shall retain until the Closing Date and Sellers shall have a perfected security interest in the boat and/or trailer until all installment payments and all other amounts under this Agreement have been paid in full at the Closing. Buyer hereby grants to Seller a security interest in the Boat.

6.2 Sellers may file a financing statement at the relevant public offices at any time after the Effective Date and shall remove or release such financing statement upon Buyer's payment of the full Purchase Price at the Closing.

7. TRANSFER OF OWNERSHIP AND COSTS.

7.1 Sellers shall issue a lien release, if any such lien is recorded, within 5 (five) days of receiving full and final payment of all monies due under this agreement, where after the onus shall be on the Buyer to file the lien release with the relevant public offices.

7.2 Buyer shall be liable for all costs relating to the registration of the Boat into its name and any other costs involved or otherwise incurred in connection with the sale and transfer of the Boat and shall do so immediately upon Closing.

8. POSSESSION AND COVENANTS OF BUYER.

8.1 The risk-of-loss passes to the Buyer once the Buyer or its agent receives the keys to the Boat or takes possession of the Boat.

8.2 Loss of or damage to the Boat will not release the Buyer from its obligations under the terms of this Agreement.

8.3 Buyer shall effect all maintenance and repairs to the boat, trailer, motor and equipment at his/her cost where necessary in order to keep them in the condition at which it was sold and any improvements to or accessories placed on the boat and or trailer shall become inherent components thereof.

8.4 Buyer will keep the Boat free from any other liens or security interests and will promptly pay all statutory fees and shall remove any liens on the Boat promptly upon being made aware of such liens.



8.6 Buyer agrees not to sell, dispose of or transfer the rights to or any right or option to acquire the Boat to another party, or to enter into any other agreement or arrangement to do so, without the prior written consent of Sellers until such time as all monies have been paid under this Agreement.

8.7 The Boat is currently located in San Diego, as more particularly described above, and Buyer shall have the right to move the Boat to its dock in Newport Beach, California, which will remain as the Boat's home port through the Closing Date. Buyer may thereafter, and until the Closing occurs, sail the Boat only in United States territorial waters. If Buyer intends to take the Boat outside of a fifty mile radius from its home port, then Buyer shall notify Sellers of such intent and provide Seller's with prior written notice of the destinations and the travel itinerary for the Boat. Such notice may be delivered via email and is intended to keep Sellers apprised of the location of the Boat.

8.8 Buyer shall permit Sellers, from time to time from the Effective Date through the Closing Date, to inspect the Boat upon reasonable notice.

8.9 If Buyer intends to make any improvements to the Boat that exceed \$10,000.00, then it shall obtain Sellers prior written consent to such improvements before making them. Buyer's notice to Sellers and request for prior written consent shall include reasonable details regarding the nature and the scope of the improvements. Sellers shall not unreasonably withhold, delay or condition such consent.

8.10 Buyer agrees to reimburse Sellers one half of Sellers' attorneys fees incurred in connection with the negotiation of this Agreement and the documentation of the transactions described herein.

9. PLACE OF PAYMENT. Payments may be made and notice given to Sellers at the address of Sellers provided under their signatures to this Agreement or at such place as may be designated from time to time in writing by Sellers or assignee of this Agreement. For ease of payment Buyer may effect payment by direct deposit or electronic transfer of funds into the account of Sellers as specified in writing.

10. ATTORNEYS FEES. In any action arising out of this Agreement the prevailing Party in such action shall be entitled to recover, in addition to any damages, its attorneys' fees and costs. A Party shall be deemed the prevailing Party if the judgment is rendered in its favor or where the litigation is dismissed in its favor prior to or during the trial, unless the Parties otherwise agree in settlement or compromise.

11. TRANSFER RESTRICTIONS. Neither Buyer nor any Guarantor may assign this Agreement or its obligations under this Agreement to a third party without prior written permission by the Seller, which may be given, withheld or delayed in Buyer's sole and absolute discretion.

12. DEFAULT; REMEDIES.



12.1 If Buyer fails to make any payment due hereunder when due then it shall be in default hereunder. If Buyer violates or is in breach of any other covenant or condition in this Agreement not involving the payment of money, then Sellers shall notify Buyer of such violation and Buyer shall cure such violation within ten (10) days from the date it receives such notice or it will be in default hereunder.

12.2 If Buyer is in default under this Agreement, then Sellers shall have any and all remedies available to it at law or in equity. Without limiting the generality of the foregoing, Sellers may terminate this Agreement by notice to Buyer and such termination will be effective immediately upon Buyer's receipt of such notice. If Sellers terminate this Agreement, then Buyer shall immediately give up possession of the Boat and turn over possession of the Boat to Buyer.

13. JOINT AND SEVERAL LIABILITY. Buyer and Guarantor are jointly and severally liable for each and every obligation of Buyer hereunder and each Guarantor specifically agrees to be bound by all the provisions as set out in this Agreement that bind Buyer. Buyer and Guarantor are jointly and severally liable for any and all damages, losses, claims or liabilities suffered by Sellers as a result of or in connection with a breach of this Agreement by Buyer.

14. SELLER'S INDULGENCE. No relaxation, indulgence, waiver, release or concession of any terms of this agreement by Sellers on one occasion shall be binding unless in writing and if granted shall not be applicable to any other or future occasion.

15. BINDING EFFECT. This Agreement shall be binding upon and accrue to the benefit of the parties, their successors, legal representatives and permitted assigns.

16. GENERAL,

16.1 Where appropriate words signifying one gender shall include the others and words signifying the singular shall include the plural and vice versa.

16.2 Paragraph headings are for convenience of reference only and are not intended to have any effect in the interpretation or determining of rights or obligations under this agreement.

16.3 Should any provision of this Agreement be judged by an appropriate court of law as invalid, it shall not affect any of the remaining provisions whatsoever.

16.4 This Agreement may be executed and delivered in any number of counterparts, whether by facsimile, scan and e-mail, or otherwise, and each of which when so executed and delivered, shall be deemed an original; and all such counterparts together shall constitute one and the same instrument.

(Remainder of page intentionally blank)



IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date above.

SELLERS:


Paul De Toni

Virginia De Toni

SELLERS ADDRESS

Box 322
West Glacier, MT 59936
Email: pelican.2@hotmail.com

BUYER:

By: 
Its: President

GUARANTOR:


Dennis "DJ" Doran

**BUYER AND GUARANTOR
NOTICE ADDRESS**

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