



GOLF CLUB HEAD PATENT # US 7,585,232 B2

SEALED BID AUCTION

BID SUBMISSION FORM

DEADLINE FOR BID SUBMISSION – SEPTEMBER 14, 2019

BID PROCEDURES

Bidder Due Diligence. ALL BIDDER DUE DILIGENCE SHALL BE THE SOLE RESPONSIBILITY OF BIDDER AND MUST BE COMPLETED IN ADVANCE OF SUBMITTING A BID. THERE WILL BE NO OPPORTUNITY FOR BIDDER DUE DILIGENCE AFTER THE HIGH BID AWARD. Materials provided by Heritage Global regarding the Intellectual Property to be sold are believed to be from reliable sources but Heritage Global does not guarantee their accuracy.

The offering and sale of the Property in this Sale is subject to these Bid Procedures and the terms and conditions (the “Terms and Conditions”) following the Bid Procedures.

Prospective bidders are advised to carefully review these Bid Procedures. Bids not conforming to these Bid Procedures and those of the Sealed-Bid Submission Form may be deemed non-conforming (a “Non-conforming Bid”) and potentially disqualified from consideration.

Bids - All bids shall be conveyed via email using this Bid Submission Form which can also be found on the Heritage Global website www.hgpauction.com and considered to be part of these Bid Procedures. Bidders shall download the form, complete and sign the form, scan, and email to:

All bids should be sent using this Bid Submission Form to:

(complete form, scan, and email to:

Doug Berman, Director
Heritage Global Patents & Trademarks
dberman@hginc.com 707-245-4417

All bids should be made on a “NON-CONTINGENT” and “BEST AND FINAL BASIS” - In the event of close bid price competition among the high bidders, Heritage Global and Seller reserve the right to conduct a telephonic overbid auction among the high bidders to determine the final high bid price, at a date and time to be determined after the Bid Submission Deadline.

All bids made will be made will be **“SUBJECT TO SELLER CONFIRMATION”**, meaning Seller reserves the right to Accept, Counter or Reject.

Buyer's Premium. At closing, the successful high bidder(s) will pay, in addition to the bid price, a Buyer's Premium at an amount equal to 10% of the successful high bid price. The Buyer's Premium shall be added to the bid price to determine the total purchase price.

Evaluation and Award of Bids. All bids received by the Bid Deadline will be reviewed by Heritage Global and presented to the Seller for consideration, other than rejected Non-Conforming bids.

Non-Revocation of Bid. Sealed bids received will be deemed in force as of the Deadline for Bid Submission.

Transfer Documents. Transfer Documents will be prepared by the Seller and will be posted for Bidder review found on the Heritage Global website www.hgpauction.com.

Free and Clear of All Liens - The Property will be conveyed free and clear of all liens. The property will be conveyed “AS IS, WHERE IS, WITH ALL FAULTS,” regarding any conditions affecting the Property, with no representations or warranties whatsoever, express or implied.

Disclaimer. Heritage Global and their employees, agents, subsidiaries and affiliates, acknowledge that Heritage Global may not have complete knowledge of the Property being sold. Accordingly, except as otherwise specifically stated in the Transfer Documents, Heritage Global employees, agents, subsidiaries and affiliates, hereby disclaim any warranty, guaranty or representation, express or implied, oral or written, past, present, or future, with respect to the property being sold. Except as stated above and as set forth in the Transfer Documents, the sale of the Property shall be on an “AS IS, WHERE IS, WITH ALL FAULTS,” basis, and purchaser expressly agrees that Heritage Global, its employees, agents, subsidiaries or affiliates, make no warranty or representation, express or implied, or arising by operation of law, including, but not limited to, any warranty of condition, merchantability or fitness for a particular purpose, with respect to the Property. Purchaser is buying the Property based on their own investigation, and, by accepting title to all or part of the Property, acknowledge that they have conducted such investigations as they have deemed necessary or advisable and that the purchaser is not relying upon any representations of Heritage Global, or any of their agents whatsoever.

The materials and information concerning the Property contained herein, together with any marketing material, websites, and all other information provided by Heritage Global, its counsel and/or their employees, agents, subsidiaries or affiliates, is based in part upon information and materials obtained from sources deemed reliable without independent verification. Bidders shall rely solely upon their own analysis. No warranty or representation, express or implied, is made by Heritage Global, or any of their employees and agents, as to the accuracy or completeness of any or all such information.

ALL BIDDER DUE DILIGENCE SHALL BE THE SOLE RESPONSIBILITY OF BIDDER AND MUST BE COMPLETED IN ADVANCE OF SUBMITTING A BID. THERE WILL BE NO OPPORTUNITY FOR BIDDER DUE DILIGENCE AFTER THE HIGH BID AWARD. Materials provided by Heritage Global regarding the Intellectual Property to be sold is believed to be from reliable sources but Heritage Global does not guarantee their accuracy.

The asset to be sold in this Sealed-Bid is:

US Patent # US 7,585,232 B2 – Golf Club Head

Your Bid Amount - \$ _____

- **If you are the high bidder of this lot a Buyer’s Premium of 10% of your bid above will be added to your bid. Your total bid will therefore equal your bid above, PLUS an additional 10% of your bid above.**

Complete this form, sign, scan and email to dberman@hginc.com

Bidder Name _____

Title _____

Company _____

Address _____

City, State, Zip _____

Country _____

email address _____

Phone _____

Date _____

Bidder Signature _____

Bidder acknowledges this bid is submitted in conformance with the terms of the Bid Submission Form and the Terms and Conditions.

Terms and Conditions
Heritage Global Partners

TERMS OF SALE – If there are any instances of discrepancies in the Bid Submission Form (above) and these Terms of Sale the terms of the Bid Submission Form (above) shall prevail.

Set forth below are the terms and conditions (the “Terms”) that shall apply to any purchase by any party (a “Buyer”) either directly from Heritage Global Partners, Inc. (“HGP”) or in a transaction (a “Transaction”) in which HGP serves as broker, agent, liquidator or auctioneer for any third party owner (“Consignor”). The Terms apply to all Transactions, including without limitation, public auctions conducted by HGP and direct purchases by Buyer of any item either before, after or independent of any public auction. By using or accessing any and all HGP Services and or Websites you agree you have read and understand the Terms and Conditions stated herein and are bound to these Terms and Conditions. You may not use or access any and all HGP Services if you do not agree to the Terms and Conditions stated herein. If you do not understand any or all the Terms and Conditions herein please contact HGP via email atcustomerservice@hgpauction.com for further assistance.

*Please Note: The “sale specific” terms and conditions for each auction supersede our General Terms of Sale.

TERMS AND CONDITIONS

1. No Warranty. All machinery, equipment, merchandise and other items (the “Goods”) are sold on an “AS IS/WHERE IS” basis without licenses or other rights to software required for equipment to work, without any warranties or representations, either expressed or implied. Neither HGP nor the Consignor makes any warranties or representations of any kind or nature with respect to the property or its value and in no event shall either be responsible for correctness of description, genuineness, attribution, provenance, authenticity, authorship, completeness, condition of the property or estimate of its value. No statement (oral or written) in the catalog, at the auction, or elsewhere shall be deemed such a warranty or representation, or any assumption of responsibility. Prospective bidders are urged to contact HGP directly for detailed information regarding any item for sales. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND MERCHANTABILITY are expressly disclaimed.

2. Registration. Buyers must register prior to bidding at any auction sale and must be of legal capacity to enter into this agreement. All bidders must provide their name, company (if applicable), mailing address, phone number and email address prior to the auction. By registering, you represent and warrant any and all Buyer Information is accurate and complete. It is solely the Buyers responsibility to maintain current Buyer Information for completeness and accuracy. HGP reserves the right to deny and or terminate Registrations at any time at its sole discretion without notification. HGP reserves the right to deny usage and access of HGP Services and Websites at any time without notice or liability to any persons or third parties. When applicable, Electronic Bidders are required to provide a valid Visa or MasterCard number. At its discretion, HGP may charge a registration fee for Electronic bidding. This fee will be clearly displayed during the registration process. THE BIDDER AUTHORIZES HGP TO CHARGE LIQUIDATED DAMAGES TO THE CREDIT CARD LEFT ON FILE DURING THE REGISTRATION PROCESS. (See section 9 "Default" below.)

2A. HGP and its Website are for use by persons acting within their trade or businesses and may not be used by consumers. By registering, the Buyer represents, warrants and undertakes that it is or acts for a business and not for consumer transactions and has given correct information about its business and contact details as requested in HGP's registration procedure.

3. Deposits. HGP requires a deposit of not less than twenty five percent (25%) of the Buyer's total purchase price by the end of sale day – with the balance due by the end of the next business day. This can be in the form of cash, a cashier's check, or business check with a bank letter of guarantee. For Electronic Bidders, at its discretion, HGP may contact bidders via email or telephone before or during the sale to obtain a bank letter of guarantee or wire transfer as a deposit. If HGP does not receive a response from its attempts to contact Buyer or if the Buyer does not provide a deposit, HGP reserves the right to refuse or cancel Buyer's bids.

4. Invoices & Payment Instructions. For Onsite and Webcast auctions, winning bidders can request a printed paper invoice from the Accounting Manager at the sale location during or after the sale. Electronic Bidders will be sent an electronic invoice to the email address provided during registration. Detailed payment instructions for each sale are available in the printed lot catalog at the sale location on the day of the sale. Electronic Bidders will be sent detailed payment instructions via email along with their invoice.

5. Payments. HGP must receive the balance of the total purchase price no later than the close of business on the day following the auction (the "Final Payment Date"). All payments must be in cash, cashier's or certified check, federal wire transfer of immediately available funds or a corporate check accompanied with a bank letter of guarantee, and all of the foregoing must be in form, scope and substance acceptable to HGP. Credit cards are accepted for Electronic bidding registration and for Liquidated Damages in the event of a default. Without limiting HGP's discretion, no corporate checks without a bank guarantee and no personal checks will be accepted. No title shall pass to Buyer until the total purchase price and all Taxes have been paid to HGP in collected funds.

6. Taxes. Buyer must also pay to HGP on or before the Final Payment Date, all sales, export, use and other taxes due to any federal, state or local taxing authority (the "Taxes") as a result of Buyer's purchase, including without limitation, any taxes arising from any Buyer's Premium. To receive the benefit of any tax exemption, Buyer must supply HGP with a sales tax exemption certificate acceptable in form, scope and substance to HGP in HGP'S sole discretion.

7. Buyer's Premium. Auctioneer shall charge an 18% Buyer's Premium on all purchases. Acceptable forms of payment are wire transfer, cashiers or certified check and company check with a bank letter of guarantee. If the auction is conducted as a webcast sale (simultaneously conducted live on-site and streamed over the Internet for online participation), a different Buyer's Premium may be applicable and will be announced at the time of that specific sale.

8. Removal of Goods. (1) Buyers or their Agents must remove all Goods purchased before the final removal date and time announced by HGP at the auction (the "Removal Date"). (2) No Goods shall be removed until the full purchase price and all applicable taxes thereon have been received by HGP in the form required herein. ANY ITEMS NOT REMOVED ON OR BEFORE THE REMOVAL DATE SHALL BE DEEMED ABANDONED AND HGP SHALL HAVE NO FURTHER OBLIGATION TO BUYER WITH RESPECT TO SUCH ITEMS. Buyer shall be responsible for the safe and proper removal of any Goods purchased by Buyer. HGP does not pack, ship, store, crate or rig items for removal. Buyers may either pick up Goods at the designated auction site themselves or can contract with a third party agent to manage the removal process for them. Before Goods can be removed by an Agent, Agent must provide HGP with (1) proof of payment in full (Paid in Full Invoice) and (2) An "Agent Release Authorization" form which allows HGP to release items to a third party contractor for shipping, crating or packing purposes. Goods weighing more than 100 pounds must be removed by a qualified, insured rigger. Before any removal, Buyer must provide HGP with a certificate of insurance from the rigger, which certificate must be in form, scope and content acceptable to HGP in HGP'S sole discretion. Without limiting HGP'S discretion, such certificate must show that the rigger carries comprehensive liability insurance written by an insurance carrier of national standing and in an amount of not less than two million dollars (\$2,000,000.00). Without limiting the generality of

the foregoing, Buyer shall restore and repair all real and personal property that is altered or damaged as a result of Buyer's removal of the Goods. HGP shall have no responsibility to disconnect utilities to the sold asset, including electric, gas, waste and water lines. Buyer is solely responsible to properly remove and store in appropriate containers all fluids, oils, hazardous chemicals, etc., from machinery purchased. Buyer does hereby indemnify HGP, the Consignor and the owner of the premises in which the Goods are located, from any and all claims, damages, and losses arising from Buyer's actions or actions with respect to the Goods and Buyer's presence on the premises in which the Goods are located, including without limitation, injuries to persons or property and environmental violations or contamination. Risk of loss on any Goods shall pass to the Buyer upon payment in full to HGP of all sums due from Buyer in respect to the Goods. HGP shall have no responsibility whatsoever for any missing or lost items that can be removed by hand if such items have not been removed within forty-eight (48) hours of the conclusion of the sale. There will be NO removal of any lots until the auction is complete.

9 Defaults. Bidders must bid only on those items they are prepared to pay for and remove in accordance with the terms and conditions of this sale. All items awarded to high bidders are contractually theirs and must be paid for by the Final Payment Date and removed by the Final Removal Date. IN THE EVENT PURCHASER FAILS TO PERFORM CONTRACTUAL OBLIGATIONS (PAYMENT AND REMOVAL) AS SPECIFIED IN THESE TERMS AND CONDITIONS, THE FOLLOWING ACTION APPLIES: PURCHASER WILL AUTOMATICALLY BE PLACED IN DEFAULT. THIS IS YOUR OFFICIAL NOTICE OF DEFAULT. Upon default, the purchaser shall lose all right, title, and interest which he/she might otherwise have acquired in and to such property as to which default has occurred. HGP will re-market and re-sell this property.

Failure to pay invoices in full by the Final Payment Date in accordance with payment terms will subject Bidder to pay as Liquidated Damages a sum equal to the lesser of (1) 20 percent of the invoice price of the item(s) as to which the default has occurred, or (2) the full amount of the difference between the original invoice price and the re-sold price plus any expenses incurred to re-market or re-sell these items. IF HGP HAS NOT RECEIVED PAYMENT FOR WINNING BIDS WITHIN 24 HOURS OF THE FINAL PAYMENT DATE, THE BIDDER AUTHORIZES HGP TO CHARGE LIQUIDATED DAMAGES TO THE CREDIT CARD LEFT ON FILE DURING THE REGISTRATION PROCESS.

Failure to remove items by the Final Removal Date in accordance with removal terms will subject Bidder to pay as Liquidated Damages the full amount of the expenses incurred to store or transport items until they are re-sold. IF BUYER HAS NOT REMOVED ITEMS WITHIN 24 HOURS OF THE FINAL REMOVAL DATE, THE BIDDER AUTHORIZES HGP TO CHARGE LIQUIDATED DAMAGES TO THE CREDIT CARD LEFT ON FILE DURING THE REGISTRATION PROCESS.

10. Adjustments. After Buyer has removed any item from HGP'S possession, HGP shall have no obligation to make any adjustment or accommodation to Buyer because of any mistake in quantity or other defect or problem with respect to such item. Buyer must make all requests for adjustments in writing to HGP before any item is removed from the premises where the auction is conducted.

11. Damages. HGP shall not be responsible for any damages, loss or theft of Goods except in the case of HGP's willful misconduct. Without limiting the foregoing, HGP shall not be responsible for damages or losses caused by strikes, civil disorders, or acts of God.

12. Changes. HGP reserves the right to withdraw or sell any assets contained in an auction prior to or proceeding the stated auction period without notification. HGP reserves the right to temporarily or permanently end an auction prior to or during the stated auction period at its sole discretion without notification. HGP, in its sole discretion, reserves the right to extend the stated auction period without notification. If for any reason HGP is unable to deliver any Goods purchased by Buyer, HGP'S sole liability shall be to return all sums paid by Buyer to HGP in respect of such Goods.

13. HGP, in its sole discretion, reserves the right to establish a reserve or minimum price on any Goods without having to announce, post or publish notice to attendees and buyers at any auction. HGP reserves the right to confirm or reject the final bid. Further, HGP, and/or its affiliates or subsidiaries, may bid at the auction for its own account, on behalf of a third party or the seller.

14. Absentee/Proxy Bids. By completing an "Absentee (Proxy) Bidder Form," Bidders may appoint HGP to be an agent and proxy for the sole purpose of purchasing the items listed when the Bidder CANNOT bid on the day of the sale. ALL BIDS ARE FINAL AND BINDING and DO NOT include any applicable buyer's premiums and sales taxes. HGP will bid up to the specified maximum bid amount to win the item, using only the amount needed to win the item. HGP has complete discretion whether and when to accept Proxy bids. The auctioneer's announcements at the time the lot is sold take precedence on any and all published materials. Proxy bidders will be notified only if they have been declared the high bid. Notification will take place in the form of an electronic invoice which will be sent to the email address provided during registration.

15. Right to Refuse Bids or Deny Access. HGP, in its sole discretion, reserves the right to refuse the bid of any person without providing any notice or reason therefore. HGP reserves the right to deny the usage and access by any person or third party of any and all HGP Services and Websites without notification.

16. Bid Increments. HGP, in its sole discretion, shall control all bidding increments and advances at any auction. HGP reserves the right to reject any bid that is only a minimal increase over the preceding bid, that is not commensurate with the value of the item being offered or that HGP believes was made illegally or in bad faith. In the event of a dispute among bidders, HGP may, in its sole discretion, either accept what it deems to be the final bid or solicit further bids on the item in dispute. No returns or refunds will be permitted, unless authorized by the Consignor in writing.

17. Aggregate Bids. HGP reserves the right, in its sole discretion, to sell items advertised as a public auction sale, on a piece by piece basis or as a complete lot. Without limiting the generality of the foregoing, HGP may accept a complete lot bid and then conduct an item by item auction which auction shall be effective only if the total proceeds therefrom exceed the amount of the complete bid.

18. Information Subject to Error. All information provided by HGP to Buyers, including without limitation, any advertising, lot sales catalogs or otherwise, is subject to deletions, errors, additions, and changes without notice. Although information is gathered from sources thought to be reliable, HGP shall have no responsibility whatsoever for any information provided to any attendee or buyers. All buyers shall rely solely on their own investigation and inspection of any Goods.

19. Right to Amend Terms and Conditions. HGP reserves the right to amend any and all of the Terms and Conditions stated herein at any time without notification at HGP's sole discretion. It is the Buyer's responsibility to read and review the Terms and Conditions for each sale. HGP provides the Terms and Conditions through its Websites and in printed form at on-site auctions.

20. Agency Relationship. When HGP is selling or auctioning any Goods on behalf of a Consignor, HGP shall act as an agent only and shall have no liability whatsoever for the acts of any owner or principal.

21. Export Law Compliance. Buyers agree to comply with all United States export control and related laws, as well as acknowledge that HGP is not the exporter of any purchased item. Certain items offered for sale at an Auction or Sealed Bid Sale may constitute "Restricted Technology." Under Federal Law, such items may not be shipped outside the United States. Buyer also agrees not to export any item to countries which are subject to comprehensive embargoes or support terrorism. These countries include, but are not limited to: Cuba, Iran, North Korea, Sudan, and Syria. The list will change from time to time. HGP makes no representation or warranty concerning Restricted Technology or conducted an investigation to ascertain, which items, if any, constitute Restricted Technology.

22. Auction Sites. Buyers acknowledge that an auction site is a potentially dangerous place, Flammable, noxious, corrosive and pressurized substances may be present. Heavy equipment may be operated and electrical circuits may be live. Every person enters the auction site at his or her own risk with notice of the condition of the premises and the activities that will be or have been conducted on the premises. No person shall have any claim against HGP, the seller or their respective agents for any injuries sustained or for damages to or loss of property that may occur at the auction site.

23. HGP Rights and Remedies. If the Buyer fails to comply with any of the Terms, HGP shall have all rights and remedies available to it at law and in equity. Without limiting the generality of the foregoing, HGP may retain all deposits and partial payments received from Buyer and may resell any Goods that Buyer fails to purchase. Buyer shall be responsible for all costs, losses, and damages suffered by HGP (i) as a result of Buyer's breach of any of the Terms, including without limitation, lost profits and consequential damages and (ii) incurred in connection with the enforcement of HGP's rights, including, without limitation, legal fees and costs and expenses related to the resale of Goods, including storage and rigging fees.

24. No Collusion. Buyers agree they will not participate in any bidding practices with the intent of manipulating the bidding. Any and all forms of collusion between Buyers is forbidden. Buyers agree they will not place bids using false names or Buyer Information.

25. Buyers Indemnification. Buyers agree they will defend, indemnify and hold harmless HGP, including its affiliates, directors, officers, employees, agents, shareholders, co-branders, or partners, from and against any and all claim, loss, damage, liabilities, judgments, fees and expenses incurred by HGP, including its affiliates, directors, officers, employees, agents, shareholders, co-branders, or partners, through the use of HGP Services and Websites.

26. Website Usage. The following is specific to the access and usage of HGP Websites including and not limited to any and all features and applications:

A) Each Registrant will specify a unique User Name and Password and it is solely the responsibility of the Registrant to maintain the confidentiality of this User Name and Password.

B) Registrants are solely responsible for any and all transactions or transmissions using their User Name and Password

C) HGP is not responsible for any and all unauthorized or compromised usage of the Registrant's User Name and Password. Registrants are responsible for contacting HGP in writing for any and all unauthorized usage of their User Name and Password.

D) Registrants agree they will not:

i) Disrupt, interfere or create outages to computer networks that directly or indirectly affect HGP Websites.

ii) Falsely misrepresent or impersonate any other person or entity. Registrants are forbidden from misrepresenting a Registrant's employment by or affiliation with any third party.

iii) Registrants are forbidden from posting, uploading, transmitting, publishing or distributing any and all information that contains viruses, code, files or programs with the malicious intent of affecting HGP Websites.

iv) Registrants agree they will not copy, modify, reproduce, distribute or sell any information or material provided through HGP Websites.

E) HGP is not responsible for any and all products, content, information or material provided by links to or statements regarding third party services. This includes but not limited to riggers, shippers, partners and any third party services listed.

F) Registrants agree HGP and its affiliates, including partners, officers, directors, employees, agents, shareholders or co-branders, are not responsible for any and all damages, actual or alleged, resulting from the downloading of any information or materials from HGP Websites.

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