

Non-Binding Letter of Intent (LOI)

CONFIDENTIAL & PRIVILEGED

Date: [Date]

VIA ELECTRONIC TRANSMISSION

JF Bicking & Co. / Sellers of Hifi Holdings LLC

Attn: Wil Buhler & Transaction Committee

Email: [Seller Contact Email]

Reference: Acquisition of 100% Membership Interests of Hifi Holdings LLC (Krell Industries Position)

Dear Mr. Buhler and the Investment Committee:

This non-binding Letter of Intent (this "LOI") sets forth the preliminary terms and conditions under which **[Buyer Entity Name / Buyer Principal Name]** ("Buyer", "we", or "us") proposes to acquire one hundred percent (100%) of the issued and outstanding membership interests of **Hifi Holdings LLC** (the "SPV" or "Company"), a single-purpose entity owned and controlled by JF Bicking & Co. and/or its affiliates ("Seller").

We understand that Hifi Holdings LLC holds all of Seller's right, title, and interest in and to: (i) an unliquidated senior creditor claim against Krell Industries, Inc. (and/or its operating entities and related probate estates) for accrued operational outlays, vendor advances, and service revenue; and (ii) an equitable right or option to convert said claim into an equity stake equal to, but not exceeding, an approximate one-third interest (targeted at 30.0%) in Krell Industries.

This LOI is submitted specifically to confirm our bona fide commercial interest, qualify our financial capacity via the attached Proof of Funds (Exhibit A), and secure immediate access to Seller's Virtual Data Room ("VDR") and underlying transaction records.

1. Structure of Transaction

Buyer would acquire 100% of the authorized, issued, and outstanding limited liability company membership interests of Hifi Holdings LLC directly from Seller pursuant to a mutually acceptable definitive Membership Interest Purchase Agreement ("MIPA"). The acquisition will be structured so that Seller conveys a clean corporate holding vehicle, insulated from direct operational liabilities of Krell Industries.

2. Indicative Purchase Consideration & Valuation Range

Based on our preliminary review of the publicly available offering details and market conditions, Buyer proposes an indicative purchase price within the range of \$[300,000 to \$350,000] (subject to confirmatory diligence). Form of consideration shall be 100% cash payable by wire transfer in immediately available funds at Closing. The definitive consideration will be calibrated against verified

ledgers of actual, out-of-pocket operational cash advances and defensible creditor claims substantiated in the data room.

3. Allocation & Non-Recourse Nature

Buyer acknowledges that the transaction is intended to be executed on an "as-is, where-is" basis, with Seller delivering Hifi Holdings LLC free and clear of all liens, pledges, or SPV-level debts, but disclaiming any warranty regarding the ultimate legal enforceability, collectibility, or judicial outcome of the underlying Krell operational debt or unexecuted equity conversion rights. Buyer will assume all subsequent workout, legal, enforcement, and negotiation responsibilities with respect to Krell Industries and its controlling shareholder(s).

4. Due Diligence & Access to Data Room

Promptly upon countersignature of this LOI, Seller shall provide Buyer, its legal counsel, and its financial advisors with complete access to the VDR. Confirmatory due diligence shall encompass: (a) Hifi Holdings LLC Corporate Health (Certificate of Formation, Operating Agreement, Good Standing, and tax filings); (b) Evidentiary Accounting Audit (wire confirmations, paid vendor receipts, and accounting ledgers); (c) Legal Documentation Trail (draft operating agreements, term sheets, side letters, and correspondence with the late Rondi D'Agostino); and (d) Chain of Title & Notices. Buyer shall have an exclusive period of fourteen (14) calendar days following receipt of full data room access (the "Diligence Period") to complete its review.

5. Proof of Funds / Financial Capability

Attached hereto as Exhibit A is verified proof of funds from Buyer's financial institution demonstrating liquid, unencumbered capital in excess of \$[500,000.00], confirming Buyer's immediate financial capability to fund the proposed acquisition and underwrite post-closing enforcement and workout legal budgets.

6. Exclusivity

In consideration of the substantial time, effort, and expense to be incurred by Buyer in conducting due diligence, Seller agrees that for a period of twenty-one (21) calendar days following the execution of this LOI (the "Exclusivity Period"), Seller and its agents, partners, and representatives will not solicit, initiate, encourage, or engage in any discussions or negotiations with, nor enter into any agreement or understanding with, any third party regarding the sale, transfer, or assignment of Hifi Holdings LLC or the underlying Krell claims.

7. Expenses & Confidentiality

Each party shall be solely responsible for its own legal, accounting, tax, and advisory fees. The terms, conditions, and existence of this LOI, along with all materials furnished in connection with Buyer's due diligence review, shall be kept strictly confidential in accordance with the Non-Disclosure Agreement ("NDA") executed between the parties.

8. Non-Binding Effect; Governing Law

Except for Sections 6 (Exclusivity), 7 (Expenses & Confidentiality), and this Section 8 (Non-Binding Effect; Governing Law), which shall constitute legally binding and enforceable obligations of the parties, this LOI represents only an expression of mutual intent and creates no binding legal obligation upon either party.

to consummate the transaction. This LOI shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of law principles.

If this proposal reflects an acceptable basis upon which to open the VDR and advance toward a definitive agreement, please indicate your acceptance by countersigning below and returning a copy to the undersigned.

BUYER:

[BUYER ENTITY NAME]

SELLER / SPV HOLDING ENTITY:

JF BICKING & CO. / HIFI HOLDINGS LLC

By: _____

Name: [Authorized Signatory Name]

Title: [Managing Member / Partner]

Date: _____

By: _____

Name: Wil Buhler

Title: Authorized Partner / Manager

Date: _____

EXHIBIT A: PROOF OF FUNDS / BANK VERIFICATION LETTER

*[ATTACH OFFICIAL BANK / CUSTODIAN VERIFICATION LETTER OR RECENT ACCOUNT STATEMENT
SHOWING MINIMUM \$500,000.00 IN UNENCUMBERED LIQUID ASSETS]*