PROBE MANUFACTURING INC

FORM 8-K
(Current report filing)

Filed 09/21/15 for the Period Ending 09/18/15

Address	17475 GILLETTE AVENUE
	IRVINE, CA 92614
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Industry	Electronic Instr. & Controls
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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **September 11, 2015**

PROBE MANUFACTURING INC.

(Exact name of Company as specified in its charter)

Nevada	**333-125678**	**20-2675800**
(State or other jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification Number)

150 E. Baker Street,
Costa Mesa, CA 92626
(Address of principal executive offices)

Phone: (949) 273-4990
(Company ' s Telephone Number)

17475 Gillette Avenue
Irvine, CA 92614
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Company under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

Item 1.01 Entry into a Material Definitive Agreement.

On September 11, 2015 (the " Effective Date "), Clean Energy HRS LLC (" CE HRS "), a wholly owned subsidiary of Probe Manufacturing, Inc. (together with its consolidated subsidiaries, the " Company "), entered into an Asset Purchase Agreement (the " Asset Purchase Agreement ") with General Electric International, Inc., a Delaware corporation (" GEII "), pursuant to which the Company will acquire GEII ' s Heat Recovery Solutions (" HRS ") assets, including intellectual property, patents, trademarks, machinery, equipment, tooling and fixtures. The HRS assets will be used by the Company to manufacture and commericailize Organic Rankine Cycle (" ORC ")-based heat recovery power systems. The ORC system comprises GEII ' s proprietary Clean Cycle turbine generator system and integrated power module, together with related components, controls, power electronics, software and equipment. The Company intends to co-locate and integrate the HRS assets with the Company ' s existing business accelerator business at the current HRS facility in Costa Mesa, California. As consideration for the purchase of the HRS assets, the Company entered into a promisory note with GEII with terms defined in Asset Purchase Agreement (exhibit 10.1) and assume certain liabilities of GEII related to the acquired assets. The cash portion of the purchase price will be paid pursuant to a three-year promissory note. In connection with the Asset Purchase Agreement, the Company entered into various ancillary agreements customary for asset acquisition transactions of this type.

As part of completing the acquisition of the HRS assets pursuant to the Asset Purchase Agreement and the TCF Agreement and integration therof into our business, we intend to change our name to " Clean Energy Technologies, Inc. " to better reflect the focus of our new business and business strategies.

The foregoing summary of the Asset Purchase Agreement is not complete and is qualified in its entirety by reference to the full text of the Asset Purchase Agreement, which is filed as Exhibit 10.1, to this Current Report on Form 8-K and which is incorporated into and made a part of this Item 1.01 by reference.
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In connection with the Asset Purcahse Agreement transaction on September 15, 2015, CE HRS entered into a Transaction Completion and Financing Agreement (the " TCF Agreement ") withETI Partners IV LLC, a Delaware limited liability company (" ETI "), pursuant to which the Company and ETI implemented a financing facility to provide for the Company $5,000,000 in financing. In connection with the TCF Agreement, the Company agreed to issue issue to ETI 104,910,323 shares of restricted common stock, representing 70% of the fully diluted common stock of the Company. In conjunction with the TCF Agreement, the Company also entered into a Loan, Guarantee, and Collateral Agreement (the " Loan Agreement ") and a Registration Rights Agreement with ETI. Financing to the Company is intended to be provided pursuant to the Loan Agreement and any shares issued or issuable in connection with the financing are granted certain demand registration rights pursuant to the Registration Rights Agreement. Pursuant to the TCF Agreement, the Company will expand its Board of Directors to 11 directors, and will allow ETI to nominate five persons to the Board of Directors. In connection with the TCF Agreement, the Company entered into various ancillary agreements customary for investment transactions of this type.

The foregoing summary of the TCFAgreement, the Loan Agreement and the Registration Rights Agreement is not complete and is qualified in its entirety by reference to the full text of the respective agreements, which re filed as Exhibits 10.2 and 10.3 and Exhibit 4.1 to this Current Report on Form 8-K and which are incorporated into and made a part of this Item 1.01 by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under " Item 1.01 Entry into a Material Definitive Agreement " of this report is incorporated by reference into this Item 2.03.

Item 3.02 Unregistered Sales of Equity Securities

The information set forth under " Item 1.01 Entry into a Material Definitive Agreement " of this report as relates to the issuance of restricted common stock, and is incorporated by reference into this Item 3.02.

The securities to be issued pursuant to the TCF Agreement will be offered and sold in reliance upon the exemption from registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended and Rule 506(b) of Regulation D promulgated thereunder.

Item 5.01 Changes In Control Of Registrant

The information set forth under " Item 1.01 Entry into a Material Definitive Agreement " of this report as relates to the issuance of restricted common stock, the related change of control is incorporated by reference into this Item 5.01.

Item 8.01 Other Events

In connection with the completion of the acquisition of the acquisition of the HRS assets, the Company changed its address. The new address is:

Probe Manufacturing, Inc.
150 E. Baker Street,
Costa Mesa, CA 92626

Item 9.01 Financial Statements and Exhibits

(d) ***Exhibits***

4.1 Registration Rights Agreement, by and between the Registrant and ETI Partners IV LLC, dated as of September 15, 2015.*
10.1 Asset Purchase Agreement, by and between the Registrant and General Electric International, Inc., dated as of September 11, 2015.*
10.2 Transaction Completion and Financing Agreement, by and between the Company and ETI Partners IV LLC, dated as of September 15, 2015.*
10.3 Loan, Guarantee, and Collateral Agreement, by and between the Company and ETI Partners IV LLC, dated as of September 15, 2015.*

*Schedules and Exhibits are omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted schedules and exhibits to the SEC upon request; provided, however, that the Company reserves the right to request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any schedule or exhibit so furnished.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Probe Manufacturing, Inc.

Date: September 18, 2015

By: */s/ Kambiz Mahdi*
Kambiz Mahdi
Cheif Executive Officer

Item 9.01 Financial Statements and Exhibits

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REGISTRATION RIGHTS AGREEMENT

This **REGISTRATION RIGHTS AGREEMENT** (this " Agreement "), dated as of September 11, 2015, by and among Probe Manufacturing, Inc., a Nevada corporation (the " Company ") and the investors listed on the Schedule of Investors attached hereto and as amended from time to time by the Collateral Agent (as defined below) through the Collateral Agent as their authorized agent and representative (individually, each an " Investor " and, collectively, " Investors ").

RECITALS

WHEREAS, in connection with the Transaction Completion and Financing Agreement, dated September 11, 2015, by and among the Company, Clean Energy HRS LLC, a California limited liability company and wholly owned subsidiary of the Company (" HRS "), and ETI Partners IV LLC, a Delaware limited liability company, in its capacity as collateral agent (the " Collateral Agent "), and the Investors (the " TC&F Agreement "), (i) the Company has agreed, upon the terms and subject to the conditions of the TC&F Agreement, to issue and sell to certain Investors (A) at the initial Closing (as defined in the TC&F Agreement) shares (the " Shares ") of common stock, par value $.001 per share of the Company (the " Common Stock "), representing seventy percent (70%) of the fully diluted Common Stock of the Company immediately following the issuance of the Shares and (B) thereafter at subsequent Closings additional securities of the Company that may be convertible into or exchangeable or exercisable for Common Stock (" Convertible Securities ") in accordance with terms to be negotiated and pursuant to the TC&F Agreement and (ii) certain Investors will acquire additional outstanding Convertible Securities of the Company on terms outlined in the TC&F Agreement (the shares of Common Stock issuable upon Conversion(as defined below) of Convertible Securities being referred to herein as the " Conversion Shares "); and

WHEREAS, in orderto induce the Investors to enter into the TC&F Agreement, to make investments in or Loans to the Company and its Subsidiaries pursuant to the TC&F Agreement and the Loan, Guarantee, and Collateral Agreement among the Company, HRS and the Collateral Agent, and to acquire additional Convertible Securities,the Company has agreed to grant certain registration rights with respect to the Registrable Securities (as hereinafter defined) as set forth in this Agreement).

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions . Capitalized terms used herein without definition shall have their respective meanings set forth in the TC&F Agreement. As used in this Agreement, the following terms shall have the following meanings:

" 1933 Act " means the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute.

" 1934 Act " means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, or any similar successor statute.

" Conversion " means conversion, exchange, exercise or other replacement or substitution of one security for another, including the issuance of a security as a dividend or split or in connection with a combination of securities, recapitalization, merger, consolidation or other reorganization or otherwise.

" Effectiveness Deadline " means (a) the Initial Effectiveness Deadline or (y) an Additional Effectiveness Deadline or (z) a Post Effective Period Deadline (each as defined below), as applicable.

" Filing Deadline " means the Initial Filing Deadline or an Additional Filing Deadline (each as defined below), as applicable.

" Investor " means anInvestor, any transferee or assignee thereof to whom anInvestor assigns its rights under this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 10 and any transferee or assignee thereof to whom a transferee or assignee assigns its rights under this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 10.

" Person " means any individual, firm, limited liability company, partnership, joint venture, corporation, trust, unincorporated organization, government (or any department, agency or political subdivision thereof), or other entity of any kind, including any successor of such entity.

" Register, " " registered, " and " registration " refer to a registration effected by preparing and filing one or more Registration Statements (as defined below) in compliance with the 1933 Act and pursuant to Rule 415 under the 1933 Act or any successor rule providing for offering securities on a continuous or delayed basis (" Rule 415 "), and the declaration or ordering of effectiveness of such Registration Statement(s) by the United States Securities and Exchange Commission (the " SEC ").

" Registrable Securities " means (i) the Shares and any Conversion Shares issued or issuable upon Conversionof Securities (including any principal thereof or interest thereon) and (iii) any shares of capital stock issued or issuable with respect to the Shares, the Securities, and the Conversion Shares, as a result of any stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise, without regard to any limitations on Conversions of Securities; provided, however, that any such Registrable Securities shall cease to be Registrable Securities when (a) a Registration Statement with respect to the sale of such securities becomes effective under the 1933 Act and such securities are disposed of in accordance with such Registration Statement, (b) such securities are sold in accordance with Rule 144 (as defined in Section 9), (c) such securities become transferable without any restrictions in accordance with Rule 144(b) (or any successor provision) or (d) such securities have been otherwise transferred, new certificates for them not bearing a legend restricting further transfers have been delivered by the Company and subsequent public distribution of such securities shall not require registration or qualification under the 1933 Act.

" Registration Statement " means a registration statement or registration statements of the Company filed under the 1933 Act covering the Registrable Securities.

" Securities " means any securities of the Company acquired by Investors, including Convertible Securities, and any securities issued upon Conversion thereof.

" Trading Day " means any day on which the Common Stock is traded on the principal securities exchange or securities market on which the Common Stock is then traded, provided that " Trading Day " shall not include any day on which the Common Stock is scheduled to trade, or actually trades, on such exchange or market for less than 4.5 hours.

Section 2. Registration .

(a) Mandatory Registrations . The Company shall prepare, as soon as practicable but in no event later than (i) fifteen (15) days after each Closing Date and (ii) thirty (30) days after any other demand therefor (as applicable, the " Initial Filing Deadline "), file with the SEC a Registration Statement on Form S-3 covering the resale of all or such part of the Registrable Securities as is requested by the Collateral Agent on behalf of the Investors holding Registrable Securities as of the applicable Closing Date or demand (and then as of the second Trading Day immediately preceding the date the Registration Statement is initially filed with the SEC). In the event that Form S-3 is unavailable for any such a registration, the Company shall use such other form as is available for such a registration, subject to the provisions of Section 2(e). The Registration Statements prepared pursuant hereto shall register for resale such percentage in excess of any Conversion Shares issuable upon Conversion of all the outstanding Securities as of the second Trading Day immediately preceding the date the Registration Statement is initially filed with the SEC as is requested by the Collateral Agent on behalf of the Investors. The Company shall use its best efforts to have the Registration Statement declared effective by the SEC as soon as practicable, but in no event later than the date which is one hundred and ninety days (90) days after the

respective Closing Date or demand (the " Initial Effectiveness Deadline "). The no more than two demands in any rolling 12-month period may be made pursuant to clause (ii) of the first sentence of this Section 2(a).

(b) Allocation of Registrable Securities . The initial number of Registrable Securities included in any Registration Statement and each increase in the number of Registrable Securities included therein shall be allocated pro rata among the Investors based on the number of such Registrable Securities held by each Investor at the time the Registration Statement covering such initial number of Registrable Securities or increase thereof is declared effective by the SEC. In the event that an Investor sells or otherwise transfers any of such Investor ' s Registrable Securities, each transferee shall be allocated a pro rata portion of the then remaining number of Registrable Securities included in such Registration Statement for such transferor. Any shares of Common Stock included in a Registration Statement and which remain allocated to any Person which ceases to hold any Registrable Securities covered by such Registration Statement shall be allocated to the remaining Investors, pro rata based on the number of Registrable Securities then held by such Investors which are covered by such Registration Statement. For purposes hereof, the number of Registrable Securities held by an Investor includes all Registrable Securities issuable upon the Conversion of Securities held by such Investor, without regard to any limitations on Conversion thereof.

(c) Legal Counsel . Subject to Section 6 hereof, the Investors holding securities representing a majority of the Registrable Securities in any registration shall have the right to select one legal counsel to review any offering pursuant to this Section 2 (" Legal Counsel "), which shall be Edward T. Swanson of Richardson & Maloney LLP or such other counsel as thereafter designated by the holders of securities representing at least a majority of the Registrable Securities in such registration. The Company shall reasonably cooperate with Legal Counsel in performing the Company ' s obligations under this Agreement.

(d) Ineligibility for Form S-3 . In the event that Form S-3 is not available for the registration of the resale of Registrable Securities hereunder, the Company shallundertake to register the Registrable Securities on Form S-3 as soon as such form is available, provided that the Company shall maintain the effectiveness of the Registration Statement then in effect until such time as a Registration Statement on Form S-3 covering the Registrable Securities has been declared effective by the SEC.

(e) Sufficient Number of Shares Registered . In the event the number of shares available under the Registration Statement filed pursuant to Section 2(a) is insufficient to cover all of the Registrable Securities required to be covered by the Registration Statement or an Investor ' s allocated portion of such Registrable Securities pursuant to Section 2(b), the Company shall, as soon as practicable, but in any event not later than fifteen (15) days after the necessity therefor arises (the " Additional Filing Deadline "), amend the Registration Statement, or file a new Registration Statement (on the short form available therefor, if applicable), or both, so as to register for resale such percentage in excess of any Conversion Shares issuable upon Conversion of all the outstanding Securities as of the second Trading Day immediately preceding the date the amendment or Registration Statement is initially filed with the SEC as is requested by the Collateral Agent on behalf of the Investors. The Company shall use its best efforts to cause such amendment and/or new Registration Statement to become effective as soon as practicable following the filing thereof, but in any event not later than sixty (60) days following the filing thereof (the " Additional Effectiveness Deadline "). For purposes of the foregoing provision, the number of shares available under the Registration Statement shall be deemed " insufficient to cover all of the Registrable Securities " if as of any date of determination the number of shares of Common Stock is equal to at least 125% in excess of any Conversion Shares issuable upon Conversion of all the outstanding Securities. The calculations set forth in this paragraph shall be made without regard to any limitations on the Conversion of Securities, and such calculations shall assume that the Securities are then convertible, exchangeable and exercisable, respectively, into shares of Common Stock at the then prevailing terms, respectively.

(f) Effect of Failure to File and Obtain and Maintain Effectiveness of Registration Statement . If (i) a Registration Statement covering Registrable Securities and required to be filed by the Company pursuant to Section 2(a) or Section 2(e) of this Agreement is not (A) filed with the SEC on or before the applicable Filing Deadline or (B) declared effective by the SEC on or before the applicable Effectiveness Deadline, (ii) the Company fails to timely perform its obligations set forth in

clauses (a) through (g) of Section 3 of this Agreement or (iii) on any day after a Registration Statement has been declared effective by the SEC sales of all the Registrable Securities required to be included on such Registration Statement cannot be made (other than during the period (the " Post-Effective Period ") beginning on the first day on which a post-effective amendment is required to be filed by the Company pursuant to the undertakings referred to in Rule 415 of the 1933 Act and ending on the earlier of (x) the thirtieth (30 th)day after such date and (y) the date on which such post-effective amendment is declared effective by the SEC (a " Post-Effective Period Deadline ") or an Allowable Grace Period (as defined below)) pursuant to such Registration Statement (including because of a failure to keep such Registration Statement effective, to disclose such information as is necessary for sales to be made pursuant to such Registration Statement or to register sufficient shares of Common Stock, as determined in accordance with Section 2(e)) (any such failure or breach being referred to as an " Event , " and the date on which such Event occurs being referred to as the " Event Date ") then, in addition to any other rights the holders of Registrable Securities or Securities may have hereunder or under applicable law, on each monthly anniversary of each such Event Date beginning with the first monthly anniversary of the applicable Event Date (if the applicable Event shall not have been cured by such date and if it has been cured, a pro rata amount of the amount that would otherwise be payable pursuant to this section 2(f) for the period from the Event Date or the last monthly anniversary of such Event Date to the date such Event Date has been cured) until the applicable Event is cured (each a " Liquidated Damages Payment Date "), the Company shall pay to each holder of Registrable Securities or Securities an amount in cash, as partial liquidated damages and not as a penalty, with respect to each Liquidated Damages Payment Date, equal to the product of (i) 1.5% multiplied by the sum of (A) the principal amount of Securities held by such holder and (B) the total price (including exercise price) of all exercisable Securities held by such holder, multiplied by (ii) a fraction, the numerator of which shall be the number of total calendar days which have passed since the immediately preceding Liquidated Damages Payment Date and the denominator of which shall be 30 calendar days. If the Company fails to pay any partial liquidated damages pursuant to this Section 2(f) in full in a timely manner, such payments shall bear interest at the rate of 1.00% per month (prorated for partial months) until paid in full.

Section 3. Related Obligations . At such time as the Company is obligated to file a Registration Statement with the SEC pursuant to Section 2(a) or 2(e), the Company will use its best efforts to effect the registration of the Registrable Securities in accordance with the intended method of disposition thereof and, pursuant thereto, the Company shall have the following obligations:

(a) The Company shall promptly prepare and file with the SEC a Registration Statement with respect to the applicable Registrable Securities (but in no event later than the applicable Filing Deadline) and use its best efforts to cause such Registration Statement relating to the Registrable Securities to become effective as soon as practicable after such filing (but in no event later than the applicable Effectiveness Deadline). No later than the first Business Day after such Registration Statement becomes effective, the Company will file with the SEC the final prospectus included therein pursuant to Rule 424 (or successor thereto) promulgated under the 1933 Act. Other than during any Post-Effective Period, the Company shall keep each Registration Statement effective pursuant to Rule 415 at all times until the earlier of (i) the date as of which the Investors may sell all of the Registrable Securities covered by such Registration Statement without restriction pursuant to Rule 144(b) (or successor thereto) promulgated under the 1933 Act or (ii) the date on which the Investors shall have sold all the Registrable Securities covered by such Registration Statement (the " Registration Period "). Such Registration Statement (including any amendments or supplements thereto and any prospectuses (preliminary, final, summary or free writing) contained therein or related thereto shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading. The term " best efforts " shall mean, among other things, that the Company (i) shall file a pre-effective amendment and otherwise respond in writing to comments made by the SEC in respect of a particular Registration Statement within five (5) Business Daysafter the receipt of comments by or notice from the SEC that such amendment is required in order for such Registration Statement to be declared effective and (ii) shall submit to the SEC, within two (2) Business Days after the Company learns that no review of a particular Registration Statement will be made by the staff of the SEC or that the staff has no further comments on the

Registration Statement, as the case may be, a request for acceleration of effectiveness of such Registration Statement to a time and date not later than 48 hours after the submission of such request.

(b) The Company shall prepare and file with the SEC such amendments (including post-effective amendments) and supplements to a Registration Statement and the prospectus used in connection with such Registration Statement, which prospectus is to be filed pursuant to Rule 424 promulgated under the 1933 Act, as may be necessary to keep such Registration Statement effective at all times during the Registration Period, and, during such Registration Period, comply with the provisions of the 1933 Act with respect to the disposition of all Registrable Securities of the Company covered by such Registration Statement.

(c) The Company shall (A) permit Legal Counsel to review and comment upon (i) the Registration Statement at least three (3) Business Days prior to its filing with the SEC, and (ii) all amendments and supplements to all Registration Statements (except for Annual Reports on Form 10K, Quarterly Reports on Form 10Q and Current Reports on Form 8K and any similar or successor reports) within a reasonable number of days prior to their filing with the SEC, and (B) not file any document, registration statement, amendment or supplement described in the foregoing clause (A) in a form to which Legal Counsel reasonably objects within a reasonable time prior to filing. The Company shall not submit a request for acceleration of the effectiveness of a Registration Statement or any amendment or supplement thereto without providing prior notice thereof to Legal Counsel and each Investor. The Company shall furnish to Legal Counsel, without charge, (i) promptly after the same is prepared and filed with the SEC, one copy of any Registration Statement (which may be an electronic copy) and any amendment(s) thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits that have not been filed via the SEC ' s Electronic Data Gathering Analysis and Retrieval system (" EDGAR ") and (ii) upon the effectiveness of any Registration Statement, one copy of the prospectus included in such Registration Statement and all amendments and supplements thereto. The Company shall reasonably cooperate with Legal Counsel in performing the Company ' s obligations pursuant to this Section 3.

(d) The Company shall furnish to each Investor whose Registrable Securities are included in any Registration Statement, without charge, (i) promptly after the same is prepared and filed with the SEC, at least one copy of such Registration Statement and any amendment(s) thereto, including financial statements and schedules, all documents incorporated therein by reference that have not been filed via EDGAR, all exhibits and each preliminary prospectus, (ii) upon the effectiveness of any Registration Statement, at least one copy of the prospectus included in such Registration Statement and all amendments and supplements thereto and (iii) such other documents, including copies of any prospectus (preliminary, final, summary or free writing), as such Investor may reasonably request from time to time in order to facilitate the disposition of the Registrable Securities owned by such Investor.

(e) The Company shall use its best efforts to (i) register and qualify, unless an exemption from registration and qualification applies, the resale by the Investors of the Registrable Securities covered by a Registration Statement under the securities or " blue sky " laws of all applicable states of the United States, (ii) prepare and file in those jurisdictions, such amendments (including post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof during the Registration Period, (iii) take such other actions as may be necessary to maintain such registrations and qualifications in effect at all times during the Registration Period, and (iv) take all other actions reasonably necessary or advisable to qualify the Registrable Securities for sale in such jurisdictions; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to (x) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(e) or (y) subject itself to service of process in suits (other than those arising out of the offer and sale of the Registrable Securities) general taxation in any such jurisdiction. The Company shall promptly notify Legal Counsel and each Investor who holds Registrable Securities of the receipt by the Company of any notification with respect to the suspension of the registration or qualification of any of the Registrable Securities for sale under the securities or " blue sky " laws of any jurisdiction in the United States or its receipt of actual notice of the initiation or threatening of any proceeding for such purpose.

(f) The Company shall notify Legal Counsel and each Investor in writing of

(f) The Company shall notify Legal Counsel and each Investor in writing of the happening of any event, as promptly as practicable, and in any event within forty-eight hours, after becoming aware of such event, as a result of which the prospectus included in a Registration Statement, as then in effect, includes an untrue statement of a material fact or omission to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (provided that in no event shall such notice contain any material, nonpublic information), and promptly prepare and file with the SEC a supplement or amendment to such Registration Statement to correct such untrue statement or omission, and deliver at least one copy of such supplement or amendment to Legal Counsel and each Investor. The Company shall also promptly notify Legal Counsel and each Investor in writing (i) when a prospectus or any prospectus supplement or post-effective amendment has been filed, and when a Registration Statement or any post-effective amendment has become effective (notification of such effectiveness shall be delivered to Legal Counsel and each Investor by facsimile on the same day of such effectiveness and by overnight mail), (ii) of any request by the SEC for amendments or supplements to a Registration Statement or related prospectus or related information, and (iii) of the Company ' s reasonable determination that a post-effective amendment to a Registration Statement would be appropriate.

(g) The Company shall use its best efforts to prevent the issuance of any stop order or other suspension of effectiveness of a Registration Statement, or the suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension as soon as reasonably practicable and to notify Legal Counsel and each Investor who holds Registrable Securities being sold of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

(h) At the reasonable request (in the context of the securities laws) of any Investor, the Company shall furnish to such Investor, on the date of the effectiveness of theRegistration Statement and thereafter from time to time on such dates as an Investor may reasonably request (i) a letter, dated such date, from the Company ' s independent certified public accountants in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the Investors, and (ii) an opinion, dated as of such date, of counsel representing the Company for purposes of such Registration Statement, in form, scope and substance as is customarily given in an underwritten public offering, addressed to the Investors.

(i) At the reasonable request (in the context of the securities laws) of any Investor, the Company shall make available for inspection during regular business hours by (i) any Investor, (ii) Legal Counsel and (iii) one firm of accountants or other agents retained by the Investors (collectively, the " Inspectors "), all pertinent financial and other records, and pertinent corporate documents and properties of the Company (collectively, the " Records "), as shall be reasonably deemed necessary by each Inspector, and cause the Company ' s officers, directors and employees to supply all information which any Inspector may reasonably request; provided, however, that each Inspector shall agree to hold in strict confidence and shall not make any disclosure (except to an Investor) or use of any Record or other information which the Company determines in good faith to be confidential, and of which determination the Inspectors are so notified, unless (a) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in any Registration Statement or is otherwise required under the 1933 Act, (b) the release of such Records is ordered pursuant to a final, non-appealable subpoena or order from a court or government body of competent jurisdiction, or (c) the information in such Records has been made generally available to the public other than by disclosure in violation of this or any other agreement of which the Inspector has knowledge. Each Investor agrees that it shall, upon learning that disclosure of such Records is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, the Records deemed confidential. Each Inspector which exercises its rights under this Section 3(i) shall be obligated to execute a non-disclosure agreement containing such reasonable terms as the Company may request. The fees and expenses of the Inspectors shall be borne by the applicable Investor.

(j) The Company shall hold in confidence and not make any disclosure of

(j) The Company shall hold in confidence and not make any disclosure of information concerning an Investor provided to the Company unless (i) disclosure of such information is necessary to comply with federal or state securities laws, (ii) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement, (iii) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction, or (iv) such information has been made generally available to the public other than by disclosure in violation of this Agreement or any other agreement. The Company agrees that it shall, upon learning that disclosure of such information concerning an Investor is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to such Investor and allow such Investor, at the Investor ' s expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, such information.

(k) The Company shall use its best efforts to (i) remain eligible for quotation of its securities on OTC Markets Group Inc. ' s OTCPink tier, (ii) become as soon as practicable and remain eligible for quotation of its securities on OTC Markets Group Inc. ' s OTCQB and then OTCQX tiers, (iii) remain eligible for quotation of its securities on OTC BulletinBoard maintained by Financial Industry Regulatory Authority, Inc. (" FINRA "), (iv) cause its Common Stock to be quoted or listed on the foregoing, so long as such Registrable Securities are not listed on a registered national securities exchange, (v) cause all the Registrable Securities covered by a Registration Statement to be listed on each securities exchange or trading market on which securities of the same class or series issued by the Company are listed, (vi) without limiting the generality of the foregoing, arrange for at least two market makers to register with the FINRA as such with respect to such Registrable Securities, and (vii) use commercially reasonable efforts to cause its Common Stock to be listed on a national securities exchange and registered under Section 12(b) of the 1934 Act. The Company shall pay all fees and expenses in connection with satisfying its obligation under this Section 3(k).

(l) The Company shall cooperate with the Investors who hold Registrable Securities being offered and, to the extent applicable, facilitate the timely preparation and delivery of certificates (not bearing any restrictive legend) representing the Registrable Securities to be offered pursuant to a Registration Statement and enable such certificates to be in such denominations or amounts, as the case may be, as the Investors may reasonably request and registered in such names as the Investors may request.

(m) The Company shall provide a transfer agent and registrar of all such Registrable Securities not later than the effective date of the applicable Registration Statement.

(n) If requested by an Investor, the Company shall (i) as soon as reasonably practicable incorporate in a prospectus supplement or post-effective amendment such information as an Investor requests to be included therein relating to the sale and distribution of Registrable Securities, including information with respect to the number of Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering; (ii) as soon as reasonably practicable make all required filings of such prospectus supplement or post-effective amendment after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) as soon as practicable, supplement or make amendments to any Registration Statement if reasonably requested by an Investor of such Registrable Securities.

(o) The Company shall make generally available to its security holders as soon as practical, but not later than ninety (90) days after the close of the period covered thereby, an earnings statement (in form complying with the provisions of Rule 158 under the 1933 Act) covering a twelve-month (12-month) period beginning not later than the first day of the Company ' s fiscal quarter next following the effective date of a Registration Statement.

(p) The Company shall otherwise use its best efforts to comply with all applicable rules and regulations of the SEC in connection with any registration hereunder.

(q) Within two (2) Business Days after a Registration Statement which

(q) Within two (2) Business Days after a Registration Statement which covers applicable Registrable Securities is ordered effective by the SEC, the Company shall deliver, and shall cause legal counsel for the Company to deliver, to the transfer agent for such Registrable Securities (with copies to the Investors whose Registrable Securities are included insuch Registration Statement) confirmation that such Registration Statement has been declared effective by the SEC in substantially the form attached hereto as Exhibit A , provided that if the Company changes its transfer agent, it shall immediately deliver any previously delivered notices under this Section 3(q) and any subsequent notices to such new transfer agent.

(r) If required, the Company shall make such filings with the FINRAand OTC Markets Group Inc. (including providing all required information and paying required fees thereto) as and when reasonably requested by any Investors and make all other filings and reasonably promptly take all other actions reasonably necessary to expedite and facilitate disposition by the Investors of Registrable Securities pursuant to a Registration Statement, including responding to any comments received from the FINRA or OTC Markets Group Inc.

(t) Notwithstanding anything to the contrary in Section 3(f), at any time after the applicable Registration Statement has been declared effective by the SEC, the Company may delay the disclosure of material non-public information concerning the Company the disclosure of which at the time is not, in the good faith opinion of the Board of Directors of the Company and its counsel, in the best interest of the Company and, in the opinion of counsel to the Company, otherwise required (a " Grace Period "); provided, that the Company shall promptly (i) notify the Investors in writing of the existence of material non-public information giving rise to a Grace Period (provided that in each notice the Company shall not disclose the content of such material non-public information to the Investors) and the date on which the Grace Period will begin, and (ii) notify the Investors in writing of the date on which the Grace Period ends; and, provided further, that (A) no Grace Period shall exceed fifteen (15) consecutive days, (B) during any 365-day period such Grace Periods shall not exceed an aggregate of thirty (30) days and (C) the first day of any Grace Period must be at least five (5) Trading Days after the last day of any prior Grace Period (a Grace Period that satisfies all of the requirements of this Section 3(s) being referred to as an " Allowable Grace Period "). For purposes of determining the length of a Grace Period above, the Grace Period shall begin on and include the date the holders receive the notice referred to in clause (i) and shall end on and include the later of the date the holders receive the notice referred to in clause (ii) and the date referred to in such notice. The provisions of Section 3(f) hereof shall not be applicable during the period of any Allowable Grace Period. Upon expiration of the Grace Period, the Company shall again be bound by the provisions of Section 3(f) with respect to the information giving rise thereto unless such material non-public information is no longer applicable.

Section 4. Obligations of the Investors .

(a) At least seven (7) Business Days prior to the first anticipated filing date of a Registration Statement and at least five (5) Business Days prior to the filing of any amendment or supplement to a Registration Statement, the Company shall notify each Investor in writing of the information, if any, the Company requires from each such Investor if such Investor elects to have any of such Investor ' s Registrable Securities included in such Registration Statement or, with respect to an amendment or a supplement, if such Investor ' s Registrable Securities are included in such Registration Statement (each an " Information Request "). Provided that the Company shall have complied with its obligations set forth in the preceding sentence, it shall be a condition precedent to the obligations of the Company to complete the registration pursuant to this Agreement with respect to the Registrable Securities of a particularInvestor that such Investor shall promptly furnish to the Company, within a reasonable time period prior to filing, in response to an Information Request, such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it as shall be reasonably required to effect the registration of such Registrable Securities and shall execute such documents in connection with such registration as the Company may reasonably request. Any Investor that sells Registrable Securities pursuant to a Registration Statement shall be required to be named as a selling stockholder in the related prospectus and, if required, to deliver or cause to be delivered a prospectus to purchasers.

(b) Each Investor, by such Investor ' s acceptance of the Registrable

(b) Each Investor, by such Investor ' s acceptance of the Registrable Securities, agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of any Registration Statement hereunder, unless such Investor has notified the Company in writing of such Investor ' s election to exclude all of such Investor ' s Registrable Securities from such Registration Statement.

(c) Each Investor agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3(g) or the first sentence of 3(f), written notice from the Company of an Allowable Grace Period or written notice from the Company that a previously effective Registration Statement is no longer effective, such Investor will immediately discontinue disposition of Registrable Securities pursuant to any Registration Statement(s) covering such Registrable Securities until such Investor ' s receipt of the copies of the supplemented or amended prospectus contemplated by Section 3(g) or the first sentence of 3(f) or receipt of notice that no supplement or amendment is required or that the Allowable Grace Period has ended or that the Registration Statement is effective. Notwithstanding anything to the contrary, the Company shall cause its transfer agent to deliver unlegended shares of Common Stock to a transferee of an Investor in accordance with the terms of the TC&F Agreement in connection with any sale of Registrable Securities with respect to which an Investor has entered into a contract for sale prior to the Investor ' s receipt of a notice from the Company of the happening of any event of the kind described in Section 3(g) or the first sentence of 3(f) and for which the Investor has not yet settled.

Section 5. Expenses of Registration . All expenses, other than underwriting discounts and commissions, incurred in connection with registrations, filings or qualifications pursuant to Sections 2 and 3, including all registration, listing and qualifications fees, printers and accounting fees, and fees and disbursements of counsel for the Company shall be paid by the Company. The Company shall also reimburse the Investors for the reasonable fees and disbursements of Legal Counsel in connection with registration, filing or qualification pursuant to Sections 2 and 3 of this Agreement up to a maximum amount of $25,000.

Section 6. Indemnification . In the event any Registrable Securities are included in a Registration Statement under this Agreement:

(a) To the fullest extent permitted by law, the Company will, and hereby does, indemnify, hold harmless and defend each Investor, the directors, officers, partners, members, managers, employees, agents, representatives of, and each Person, if any, who controls any Investor within the meaning of the 1933 Act or the 1934 Act (each, an " IndemnifiedPerson "), against any losses, claims, damages, liabilities, judgments, fines, penalties, charges, costs, reasonable attorneys ' fees, amounts paid in settlement or expenses, joint or several, (collectively, " Claims ") incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency, body or the SEC, whether pending or threatened, whether or not an indemnified party is or may be a party thereto (" Indemnified Damages "), to which any of them may become subject insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of a material fact in a Registration Statement or any post-effective amendment thereto or in any filing made in connection with the qualification of the offering under the securities or other " blue sky " laws of any jurisdiction in which Registrable Securities are offered (" Blue Sky Filing "), or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary, final, summary or free writing prospectus (as amended or supplemented, if the Company files any amendment thereof or supplement thereto with the SEC) or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in light of the circumstances under which the statements therein were made, not misleading, (iii) any violation or alleged violation by the Company of the 1933 Act, the 1934 Act, any other law, including any state securities law, or any rule or regulation thereunder relating to the offer or sale of the Registrable Securities pursuant to a Registration Statement or (iv) any breach, default or violation of this Agreement by the Company (the matters in the foregoing clauses (i) through (iv), collectively,

" Violations "). Subject to Section 6(c), the Company shall reimburse the Indemnified Persons, promptly as such expenses are incurred and are due and payable, for any legal fees or other expenses reasonably incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6(a) and the contribution agreement contained in Section 7: (i) shall not apply to a Claim by an Indemnified Person arising out of or based solely upon a Violation which occurs in reliance upon and in conformity with information furnished in writing to the Company by such Indemnified Person for such Indemnified Person expressly for use in connection with the preparation of the Registration Statement or any such amendment thereof or supplement thereto or any preliminary, final, summary or free writing prospectus or any amendment thereof or supplement thereto, if such Registration Statement or preliminary, final, summary or free writing prospectus was timely made available by the Company pursuant to Section 3(d) and (ii) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Person and shall survive the transfer of the Registrable Securities by the Investors pursuant to Section 9.

(b) Each Investor covered by a Registration Statement agrees to severally and not jointly indemnify, hold harmless and defend, to the same extent and in the same manner as is set forth in Section 6(a), the Company, each of its directors, each of its officers who signs the Registration Statement, and each Person, if any, who controls the Company within the meaning of the 1933 Act or the 1934 Act (each an " Indemnified Party "), against any Claim or Indemnified Damages to which any of them may become subject, under the1933 Act, the 1934 Act or otherwise, insofar as such Claim or Indemnified Damages arise out of or are based upon any Violation by such Investor, in each case to the extent, and only to the extent, that such Violation occurs in reliance upon and in conformity with written information furnished to the Company by such Investor expressly for use in connection with such Registration Statement or any such amendment thereof or supplement thereto or any related preliminary, final, summary or free writing prospectus or any amendment thereof or supplement thereto; and, subject to Section 6(c), such Investor shall reimburse the Indemnified Parties, promptly as such expenses are incurred and are due and payable, for any legal fees or other expenses reasonably incurred by them in connection with investigating or defending any such Claim; provided, however, that the indemnity agreement contained in this Section 6(b) and the agreement with respect to contribution contained in Section 7 shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of such Investor, which consent shall not be unreasonably withheld; provided, further, however, that the aggregate liability of the Investor in connection with any Violation shall not exceed the net proceeds to such Investor as a result of the sale of Registrable Securities pursuant to the Registration Statement giving rise to such Claim. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party and shall survive the transfer of the Registrable Securities by the Investors pursuant to Section 9.

(c) Promptly after receipt by an Indemnified Person or Indemnified Party under this Section 6 of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving a Claim, such Indemnified Person or Indemnified Party shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 6, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly notified, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Indemnified Person or the Indemnified Party, as the case may be. In any such proceeding, any Indemnified Person or Indemnified Party may retain its own counsel, but, except as provided in the following sentence, the fees and expenses of that counsel will be at the expense of that Indemnified Person or Indemnified Party, as the case may be, unless (i) the indemnifying party and the Indemnified Person or Indemnified Party, as applicable, shall have mutually agreed to the retention of that counsel, (ii) the indemnifying party does not assume the defense of such proceeding in a timely manner or (iii) in the reasonable opinion of counsel retained by the indemnifying party, the representation by such counsel for the Indemnified Person or Indemnified Party and the indemnifying party would be inappropriate due to actual or potential differing interests between such Indemnified Person or Indemnified Party and any other party represented by such counsel in such proceeding. In the event the Company is the

indemnifying party, the Company shall pay reasonable fees for up to one separate legal counsel for the Investors, and such legal counsel shall be selected by the Investors holding at least a majority in interest of the Registrable Securities included in the Registration Statement to which the Claim relates. The Indemnified Party or Indemnified Person shall cooperate fully with the indemnifying party in connection with any negotiation or defense of any such action or Claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Party or Indemnified Person which relates to such action or Claim. The indemnifying party shall keep the Indemnified Party or Indemnified Person fully apprised at all times as to the status of the defense or any settlement negotiations with respect thereto.No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent, provided, however, that the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the prior written consent of the Indemnified Party or Indemnified Person, consent to entry of any judgment or enter into any settlement or other compromise with respect to any pending or threatened action or claim in respect of which indemnification or contribution may be or has been sought hereunder (whether or not the Indemnified Party or Indemnified Person is an actual or potential party to such action or claim) which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party or Indemnified Person of a release from all liability in respect to such Claim or litigation. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnified Party or Indemnified Person with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Indemnified Party under this Section 6, except to the extent that the indemnifying party is prejudiced in its ability to defend such action.

(d) The indemnification required by this Section 6 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Damages are incurred.

(e) The indemnity agreements contained herein shall be in addition to (i) any cause of action or similar right of the Indemnified Party or Indemnified Person against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

Section 7. Contribution . To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under Section 6 to the fullest extent permitted by law; provided, however, that: (i) no Person involved in the sale of Registrable Securities which Person is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) in connection with such sale, shall be entitled to contribution from any Person involved in such sale of Registrable Securities who was not guilty of fraudulent misrepresentation; and (ii) contribution by any seller of Registrable Securities shall be limited to an amount equal to the net amount of proceeds received by such seller from the sale of such Registrable Securities pursuant to the Registration Statement giving rise to such action or claim for indemnification less the amount of any damages that such seller has otherwise been required to pay in connection with such sale.

Section 8. Reports under the 1934 Act . With a view to making available to the Investors the benefits of Rule 144 promulgated under the 1933 Act or any other similar rule or regulation of the SEC that may at any time permit the Investors to sell securities of the Company to the public without registration (" Rule 144 "), the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the 1934 Act so long as the Company remains subject to such requirements (it being understood that nothing herein shall limit the Company ' s obligations under Section 4(c) of the

TC&F Agreement) and the filing of such reports and other documents is required for the applicable provisions of Rule 144; and

(c) furnish to each Investor so long as such Investor owns Registrable Securities, promptly upon request, (i) a written statement by the Company that it has complied with the reporting requirements of Rule 144 and the 1934 Act, (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested to permit the investors to sell such securities pursuant to Rule 144 without registration.

Section 9. Assignment of Registration Rights. The rights under this Agreement shall be automatically assignable by the Investors to any transferee of all or any portion of Registrable Securities if: (i) the Investor agrees in writing with the transferee or assignee to assign such rights, and a copy of such agreement is furnished to the Company within a reasonable time after such transfer or assignment; (ii) the Company is, within a reasonable time after such transfer or assignment, furnished with written notice of (a) the name and address of such transferee or assignee, and (b) the securities with respect to which such registration rights are being transferred or assigned; (iii) immediately following such transfer or assignment the further disposition of such securities by the transferee or assignee is restricted under the 1933 Act and applicable state securities laws; (iv) at or before the time the Company receives the written notice contemplated by clause (ii) of this sentence, the transferee or assignee agrees in writing with the Company to be bound by all of the provisions contained herein, and (v) such transfer shall have been made in accordance with the applicable requirements of the TC&F Agreement.

Section 10. Amendment of Registration Rights. Provisions of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and Investors who then hold at least a majority of the Registrable Securities. Any amendment or waiver effected in accordance with this Section 10 shall be binding upon each Investor and the Company. No such amendment shall be effective to the extent that it applies to less than all of the holders of the Registrable Securities. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of any of this Agreement unless the same consideration also is offered to all of the parties to this Agreement.

Section 11. Miscellaneous.

(a) The provisions of this Agreement shall apply to the full extent set forth herein with respect to (i) the shares of Common Stock, (ii) any and all shares of voting common stock of the Company into which the shares of Common Stock are converted, exchanged or substituted in any recapitalization or other capital reorganization by the Company and (iii) any and all equity securities of the Company or any successor or assign of the Company (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect or on Conversion ofthe shares of Common Stock and shallbe appropriately adjusted for any stock dividends, splits, reverse splits, combinations, recapitalizations and the like occurring after the date hereof. The Company shall cause any successor or assign (whether by merger, consolidation, sale of assets or otherwise) to enter into a new registration rights agreement with the Investors on terms substantially the same as those remaining under this Agreement as a condition of any such transaction.

(b) A Person is deemed to be a holder of Registrable Securities whenever such Person owns or is deemed to own of record such Registrable Securities. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company shall act upon the basis of instructions, notice or election received from the registered owner of such Registrable Securities.

(c) Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the

sending party); or (iii) one (1) Business Day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

Probe Manufacturing, Inc.150 Baker Street
Costa Mesa, CA 92626Facsimile:+1.Attention: Kam Mahdi

If to an Investor, to its address and facsimile number set forth on the Schedule of Investors attached hereto, with copies to such Investor ' s representatives as set forth on the Schedule of Investors, or, in the case of anInvestor or other party named above, to such other address and/or facsimile number and/or to the attention of such other person as the recipient party has specified by written notice given to each other party in accordance with this Section 11(c) at least five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender ' s facsimile machine containing the time, date, recipient facsimile number and an image of the first page of such transmission or (C) provided by a courier or overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile or deposit with a nationally recognized overnight delivery service in accordance withclause (i), (ii) or (iii) above, respectively. Notwithstanding the foregoing, the Company or its counsel may transmit versions of any Registration Statement (or any amendments or supplements thereto) to Legal Counsel in satisfaction of its obligations under Section 3(c) to permit Legal Counsel to review such Registration Statement prior to filing (and solely for such purpose) by email to es@RichardsonMaloney.com, provided that delivery and receipt of such transmission shall be confirmed by electronic, telephonic or other means.

(d) Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof.

(e) All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Any dispute between the parties under or related to any Transaction Agreement shall be submitted to confidential arbitration pursuant to the expedited commercial arbitration rules of Pan Pacific Arbitration. The venue of any such arbitration shall be Los Angeles County, California. Each party hereby irrevocably waives personal service of process and consents to process being served in any such proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, THAT A COURT HEAR ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT, ANY TRANSACTION DOCUMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY.If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

(f) This Agreement and the other Transaction Documents constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and

therein. This Agreement and the other Transaction Documents supersede all prior agreements and understandings among the parties hereto with respect to the subject matter hereof and thereof. The Company shall not enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Investors in this Agreement.

(g) Subject to the requirements of Section 9, this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of each of the parties hereto.

(h) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party; provided that a facsimile signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile signature.

(j) Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) All consents and other determinations to be made by the Investors pursuant to this Agreement shall be made, unless otherwise specified in this Agreement, by Investors holding at least a majority of the Registrable Securities, determined as if all of Securities then outstanding have been converted into or exchanged or exercised for Registrable Securities without regard to any limitations on Conversion of the Securities. Any consent or other determination approved by Investors as provided in the immediately preceding sentence shall be binding on all Investors.

(l) The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent and no rules of strict construction will be applied against any party.

(m) Each Investor and each holder of the Registrable Securities shall have all rights and remedies set forth in the Transaction Documents and all rights and remedies that such Investor and holder has been granted at any time under any other agreement or contract and all of the rights that such Investor and holder has under any law. Any Person having any rights under any provision of this Agreement shall be entitled to enforce such rights specifically (without posting a bond or other security or proving actual damages), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law.

(n) This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns and, to the extent provided in Sections 6(a) and 6(b) hereof, each Investor, the directors, officers, partners, members, managers, employees, agents, representatives of, and each Person, if any, who controls any Investor within the meaning of the 1933 Act and the 1934 Act and each of the Company ' s directors, each of the Company ' s officers who signs the Registration Statement, and each Person, if any, who controls the Company within the meaning of the 1933 Act and the 1934 Act, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

(o) Unless the context otherwise requires, (i) all references to Sections, Schedules or Exhibits are to sections, schedules or exhibits contained in or attached to this Agreement, (ii) each accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with GAAP, (iii) words in the singular or plural include the singular and plural and pronouns stated in either the masculine, the feminine or neuter gender shall include the masculine, feminine and neuter and (iv) the use of the word " including " in this Agreement shall be by way of example rather than limitation.

* * * * * *

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be duly executed as of day and year first above written.

PROBE MANUFATURING, INC.

By:
Name:
Title:

ETI PARTNERS IV LLC, as agent and representative of the Investors identified on the Schedule of Investors, as amended from time to time

By:
Name:
Title:

SCHEDULE OF INVESTORS

Investor ' s Name	Investor Address and Facsimile Number	Investor ' s Legal Representative ' sAddress and Facsimile Number
ETI Partners IV LLC	1201 Abbott Kinney Boulevard Venice, CA 90291	

EXHIBIT A

FORM OF NOTICE OF EFFECTIVENESSOF REGISTRATION STATEMENT

Colonial Stock Transfer Co, Inc.
66 Exchange Place
Salt Lake City, Utah 84111
Main: 801.355.5740
Fax: 801.355.6505Attention: Dan Carter

Re: Probe Manufacturing, Inc.

Ladies and Gentlemen:

We are counsel to Probe Manufacturing, Inc., a Nevada corporation (the " Company "), and have represented the Company in connection with that certain Registration Rights Agreement (the " Registration Rights Agreement ") entered into by and among the Company and the Investors named therein (collectively, the " Holders ") pursuant to which the Company agreed, among other things, to register the Registrable Securities (as defined in the Registration Rights Agreement), including the shares of Common Stock issuable upon Conversionof Securities (as defined in the Registration Rights Agreement), under the Securities Act of 1933, as amended (the " 1933 Act "). In connection with the Company ' s obligations under the Registration Rights Agreement, on , 20 , the Company filed a Registration Statement on Form [S-] (File No. 333-) (the " Registration Statement ") with the Securities and Exchange Commission (the " SEC ") relating to the Registrable Securities which names each of the Holders as a selling stockholder thereunder.

In connection with the foregoing, we advise you that a member of the SEC ' s staff has advised us by telephone that the SEC has entered an order declaring the Registration Statement effective under the 1933 Act at **[ENTER TIME OF EFFECTIVENESS]** on **[ENTER DATE OF EFFECTIVENESS]** and we have no knowledge, after telephonic inquiry of a member of the SEC ' s staff, that any stop order suspending its effectiveness has been issued or that any proceedings for that purpose are pending before, or threatened by, the SEC and the Registrable Securities are available for resale under the 1933 Act pursuant to the Registration Statement.

Very truly yours,

[ISSUER ' S COUNSEL]

By: _____

[LIST NAMES OF HOLDERS]

CONFIDENTIAL

DRAFT

ASSET PURCHASE AGREEMENT

dated as of September 11, 2015

between

GENERAL ELECTRIC INTERNATIONAL, INC.,

CLEAN ENERGY HRS LLC

and

(solely with respect to Section 5.03, Section 5.05, and Section 5.06, and Article I, Article VI and Article VIII)

GENERAL ELECTRIC COMPANY

ACTIVE 20150623_v1

SCHEDULES

2.01(a)(i)	Personal Property
2.01(a)(ii)	Assumed Contracts
2.01(a)(iv)	Purchased Registered Intellectual Property
2.01(a)(vi)	Technology License Transfer
2.01(a)(vii)	Transferred Software
2.01(b)(xiv)	Certain Excluded Assets2.01(c)(v) Sold Products Under Warranty as of Closing Date
2.01(c)(vii)	Certain Assumed Liabilities
2.06(b)	Inventory Amount
3.01	Incorporation, Qualification and Authority of Seller
3.02	No Conflict
3.03	Consents and Approvals
3.04	Absence of Certain Changes or Events
3.05	Absence of Litigation
3.06	Compliance with Laws
3.07	Title to the Purchased Assets
3.08	Intellectual Property
3.09	Taxes
3.10	Material Contracts
3.11	Employment and Employee Benefits Matters
3.11(e)	Certain Employment Matters
3.12	Environmental Matters
3.13	Brokers
5.09(f)	Receivable
6.01(a)	Certain Employees
6.03(b)	Protected Names

EXHIBITS

Exhibit A	Definitions
Exhibit B	Form of Transition Services Agreement
Exhibit C	Form of Bill of Sale
Exhibit D	Form of Assignment and Assumption Agreement
Exhibit E	Form of Transitional Trademark License Agreement
Exhibit F	Form of Promissory Note
Exhibit G	Form of Parent Guaranty
Exhibit H	Form of Global Employee Services Agreement
Exhibit I	Form of Assignment of Patents and Trademarks
Exhibit J	Form of Assignment and Assumption

This ASSET PURCHASE AGREEMENT, dated as of September 11, 2015, is made by and among GENERAL ELECTRIC INTERNATIONAL, INC., a Delaware corporation (" Seller "), Clean Energy HRS LLC (" Purchaser "), a California limited liability company and a subsidiary of Probe Manufacturing, Inc., a Nevada corporation (" Parent "), and, solely with respect to Section 5.03 , Section 5.05 , and Section 5.06 , and Article I , Article VI and Article VIII , General Electric Company, a New York corporation (" GE ").

PRELIMINARY STATEMENTS

A Seller owns the Heat Recovery Solutions business, which designs, manufactures, tests, markets and/or sells Organic Rankine Cycle (" ORC ")-based heat recovery power systems, including the integrated power module (" IPM ") and Clean Cycle (as defined below) generator and all other components, controls, power electronics, software and/or equipment that are included in such systems and provides related services for the ORC-based heat recovery power systems, in each case including in the following fields of use: (i) any ORC-based application where the heat is sourced from: (a) reciprocating combustion engines, of any type, except those employed on transiting marine vessels, (b) gas or steam turbine systems for Power Generation applications, where " Power Generation " means the process of creating electricity from any other form of energy, and (c) Biomass Boiler systems, where " Biomass Boiler " means a device that uses Biomass as a fuel to heat fluid and where " Biomass " means living or recently living biological or organic material as a source of energy and (ii) the following applications (without limitation to ORC-based applications): (x) reciprocating combustion engines, of any type, except those employed on transiting marine vessels or in automotive applications for cars, trucks, and other motor vehicles, (y) gas or steam turbine systems with an ISO-rated power output above one megawatt (1 MW), and (z) applications that use Biomass as a source of heat (as conducted on the date hereof, the " Business "). The Business is located at a facility (the " Facility ") in Costa Mesa, California where it manufactures the less than 1 MW Organic Rankine Cycle waste heat power generator including the IPM (the " Product ")

B. Seller wishes to sell, or to cause to be sold, to Purchaser, and Purchaser wishes to purchase from Seller the Purchased Assets (as defined in Section 2.01(a)) relating to the Business, all on the terms and subject to the conditions set forth herein. In connection therewith, Purchaser wishes to assume, and Seller wishes to have Purchaser assume certain defined liabilities of Seller relating to the Purchased Assets, all on the terms and subject to the conditions set forth herein.

C. In connection with the foregoing, Parent has agreed to guaranty certain obligations of Purchaser to Seller, all on the terms and subject to the conditions set forth in the Guaranty (as defined herein).

NOW, THEREFORE, the parties to this Agreement agree as follows:

Article I

DEFINITIONS

SectionI.1. Certain Defined Terms . Capitalized terms used in this Agreement shall have the meanings specified in Exhibit A to, or elsewhere in, this Agreement.

Article II PURCHASE AND SALE

SectionII.1. Purchase and Sale of Assets .

(a) Purchased Assets . On the terms and subject to the conditions set forth in this Agreement, at the Closing, Seller shall sell, convey, assign, transfer and deliver, or shall cause to be sold, conveyed, assigned, transferred or delivered, to Purchaser, free and clear of all Liens, except for Permitted Liens, and Purchaser shall purchase, acquire and accept from Seller, all of the following assets, properties, rights and Contracts that are owned, leased or licensed by Seller and used exclusively in the conduct of the operation of the Business by Seller to manufacture and sell the Product and related services as the same shall exist on the Closing Date and (collectively, the " Purchased Assets "):

(i) all tangible personal property, machinery, equipment (including vehicles), tooling and fixtures and interests therein, as listed in Section 2.01(a)(i) of the Disclosure Schedules, transferred pursuant to the Bill of Sale in form attached hereto as Exhibit C ;

(ii) all Contracts of Seller (and all rights thereunder), listed in Section 2.01(a)(ii) of the Disclosure Schedules, assigned pursuant to the Assignment and Assumption Agreement in the form attached hereto as Exhibit D (the " Assumed Contracts "), to the extent assignable;

(iii) all of Seller ' s causes of action against third parties relating exclusively to the Purchased Assets or any Assumed Liability, including unliquidated rights under manufacturers ' and vendors ' warranties, other than any Excluded Assets of the type described in Section 2.01(b)(ix) below, assigned pursuant to the Assignment and Assumption Agreement in the form attached hereto as Exhibit D ;

(iv) the Patents and Trademarks listed in Section 2.01(a)(iv) of the Disclosure Schedules, assigned pursuant to the Assignment of Patent and Trademarks in form attached hereto as Exhibit I (the " Purchased Registered Intellectual Property ");

(v) to the extent transferrable, the licenses to Software listed in Section 2.01(a)(v) of the Disclosure Schedules (the " Transferred Software ");

(vi)

all rights of Seller in the Product Intellectual Property, including by assignment of the Technology License pursuant to the Assignment and Assumption Agreement in the form attached hereto as Exhibit D , a copy of which will be provided by Purchaser to pursuant to Section 7.01(a)(iii) of the Technology License;

(vii) other than any Excluded Assets of the type described in Section 2.01(b)(xi) and Section 2.01(b)(xii) below, all books, records, files and papers of Seller, whether in hard copy or computer format, used exclusively in connection with the Product , including engineering information, financial and accounting records, marketing plans and market research, sales and promotional literature, manuals and data, sales and purchase correspondence, lists of present and former suppliers, lists of present and former customers and distributors, personnel and employment records for Transferred Employees maintained at the Facility and copies of any information relating to Taxes for which Purchaser is liable pursuant to Section 5.07 ;

(viii) all goodwill associated with any of the assets described in the foregoing clauses; and

(ix) subject to Section 2.02 , all transferrable Environmental Permits held by or in connection with operations at the Facility; and

(x) all of Seller ' s right, title and interest in respect of the Seller ' s lease of the Facility, including all rights of Seller to the improvements, fixtures and appurtenances thereto and rights in respect thereof, with respect to machinery, equipment, tooling and fixtures, as described in Section 2.01(a)(i) .

(b) Excluded Assets . Notwithstanding anything to the contrary contained herein, Seller shall not sell, convey, assign, transfer or deliver to Purchaser, and Purchaser shall not purchase, acquire or accept, any assets other than the Purchased Assets, including any of the following assets and properties of Seller (collectively, the " Excluded Assets "):

(i) any Working Capital;

(ii) any GE Name and GE Marks, together with any Contracts granting rights to use the same (certain of which will be licensed pursuant to the Transitional Trademark License Agreement (as defined in Section 5.08(d));

(iii) any of Seller ' s right, title and interest in respect of real property, other than the Facility, including any improvements, fixtures or appurtenances to real property other than the Facility or rights in respect thereof;

(iv) Tax assets relating to, but not limited to, all refunds (or credits) of any Tax for which Seller is liable pursuant to Section 5.07 ;

(v) Seller ' s plans and other employee benefit plans, programs, arrangements, agreements (including retirement benefit and post-retirement health

benefit plans, programs, arrangements and agreements) and policies sponsored or maintained by the Seller or its Affiliates, and any trusts or other assets related thereto, except as provided in Article VI ;

(vi) subject to Section 5.05 , all policies of, or agreements for, insurance and interests in insurance pools and programs;

(vii) except as otherwise provided in Section 2.01(a)(v) or Section 2.01(a)(vii) , all Software and data owned or licensed by Seller and used solely in the conduct of the operation of the Business;

(viii) any Intellectual Property other than the Product Intellectual Property and the Purchased Registered Intellectual Property;

(ix) all causes of action (including counterclaims) and defenses (A) against third parties relating to any of the Excluded Assets or the Excluded Liabilities as well as any books, records and privileged information relating thereto or (B) relating to any period through the Closing to the extent that the assertion of such cause of action or defense is necessary or useful in defending any claim that may be asserted against Seller or for which indemnification may be sought by Purchaser Indemnified Parties pursuant to Article VII or that the Seller is otherwise responsible for under the terms of this Agreement;

(x) (A) all loans or advances by Seller to its Affiliates; and (B) all loans or advances by Seller ' s Affiliates to Seller;

(xi) personnel and employment records for employees and former employees of the Seller or its Affiliates who are not Transferred Employees;

(xii) (A) all corporate minute books (and other similar corporate records) and stock records of Seller, (B) any books and records relating to the Excluded Assets or (C) any books, records or other materials that Seller (x) is required by Law to retain (copies of which, to the extent permitted by Law, will be made available to Purchaser upon Purchaser ' s reasonable request), (y) reasonably believes are necessary to enable it to prepare and/or file Tax Returns (copies of which will be made available to Purchaser upon Purchaser ' s reasonable request) or (z) is prohibited by Law from delivering to Purchaser;

(xiii) the assets and properties listed in Section 2.01(b)(xiii) of the Disclosure Schedules;

(xiv) any assets sold or otherwise disposed of in the ordinary course of business prior to the Closing Date; and

(xv) any other assets, properties, rights, Contracts and claims of Seller that are not related exclusively to the Product , wherever located, whether tangible or intangible, real, personal or mixed.

Notwithstanding anything to the contrary contained in this Agreement or any of the other Transaction Agreements, Purchaser acknowledges and agrees that all of the following shall remain the property of Seller, and neither Purchaser nor any of its Affiliates shall have any interest therein: (w) all records and reports prepared or received by GE or any of its Affiliates in connection with the sale of the Purchased Assets and Assumed Liabilities and the transactions contemplated hereby, including all analyses relating to the Business or Purchaser so prepared or received; (x) all confidentiality agreements with prospective purchasers of the Business or any portion thereof (except that Seller or its Affiliates, as applicable, shall assign to Purchaser or its designee at the Closing all of such assignor ' s rights under such agreements to confidential treatment of information with respect to the Purchased Assets and Assumed Liabilities and with respect to solicitation and hiring of the Transferred Employees); (y) all bids and expressions of interest received from third parties with respect thereto; and (z) all privileged materials, documents and records in the possession of GE or any of its Affiliates to the extent such materials, documents and records are (A) not related to the Purchased Assets and Assumed Liabilities , (B) related to any Excluded Asset or Excluded Liability, or (C) related to any matter for which Seller retains or has an obligation to indemnify the Purchaser Indemnified Parties pursuant to Article VII (without giving effect to the provisions of Section 7.01(b)). Purchaser further acknowledges and agrees that, with respect to any Action or dispute between Seller or one of its Affiliates, on the one hand, and Purchaser or one of its Affiliates (post-Closing), on the other hand, only Seller may waive any evidentiary privilege that may attach to a pre-closing communication that is determined by a court of competent jurisdiction to be subject to attorney-client privilege, and neither Purchaser, nor any of its Affiliates, shall have the right to compel disclosure of such privileged information.

(c) Assumed Liabilities . On the terms and subject to the conditions set forth in this Agreement, Purchaser hereby agrees, effective at the time of the Closing, to assume and agree to pay, discharge and perform certain of the Liabilities of Seller relating to the Purchased Assets or the Product, whether known or unknown, fixed or contingent, asserted or unasserted, and not satisfied or extinguished, as the same shall exist on and after the Closing Date (the " Assumed Liabilities "), subject to Section 2.01(d) including the following:

(i) all Liabilities arising under or related to any of the Assumed Contracts;

(ii) all Liabilities in respect of Taxes for which Purchaser is liable pursuant to Section 5.07 ;

(iii) all Liabilities expressly assumed by Purchaser as set forth in Article VI hereof;

(iv) all Liabilities, commitments and obligations, whether accruing before, on or after the Closing Date, whether known or unknown, fixed or contingent, asserted and unasserted, and not satisfied or extinguished as of the Closing Date, arising from or relating in any way to the tangible property comprising the Purchased Assets, including Liabilities relating to purchases of Inventory after June 30, 2015 and not otherwise included in the Inventory Amount (as defined in Section 2.06(b)) and other Liabilities listed in

Section 2.01(c)(iv) of the Disclosure Schedules but expressly not including any other accounts payable of Seller invoiced and open as of Closing not included in the above;

(v) all Liabilities, commitments and obligations with respect to any warranty or similar liabilities relating to the supply of products, components, parts, products, manuals, publications or services, including training, of the Business that were developed, designed, marketed, manufactured, distributed or sold on or prior to the Closing Date or that were held in the inventory of the Business as of the Closing Date and the obligation to maintain adequate inventory of and provide service parts for the Business products sold prior to the Closing Date, provided, however, that if Purchaser or Seller receives a warranty or similar claim (i) relating to a product for which the warranty period has expired as of the Closing Date and (ii) resulting from a failure that occurred prior to the Closing Date, Seller agrees, that for a period of three years after the Closing Date, it will indemnify Purchaser pursuant to Article VII against any actual direct out of pocket costs incurred by Purchaser to remedy any such claim or claims that, individually or together in aggregate are in excess of $100,000.00;

(vi) all Liabilities, commitments and obligations relating to the use, application, malfunction, defect, design, operation, performance or suitability of any components, parts, products, manuals, publications or services, including training, that were developed, designed, or manufactured on or prior to the Closing Date or that were held in the inventory of the Business as of the Closing Date or by the Purchaser after the Closing Date; and

(vii) all Liabilities, commitments and obligations of type described on or arising out of or relating to the matters described on Section 2.01(c)(vii) of the Disclosure Schedules, including all Liabilities assumed by the Purchaser pursuant to Article VI .

(d) Excluded Liabilities . Purchaser is not assuming or agreeing to pay or discharge any Liabilities of Seller other than the Assumed Liabilities (the " Excluded Liabilities ").

SectionII.2. Assignment of Contracts and Rights . Notwithstanding any other provision of this Agreement to the contrary, this Agreement shall not constitute an agreement to assign or transfer any Assumed Contract, permit or license or any claim or right or any benefit arising thereunder or resulting therefrom if an attempted assignment or transfer thereof, without the consent of any applicable third party (including any Governmental Authority), would constitute a breach or other contravention thereof, a violation of Law or would in any way adversely affect the rights of Purchaser (as assignee of Seller) or Seller (as applicable). Subject to Section 5.04(c) , Seller will use its commercially reasonable efforts to obtain the consent of the other parties to any such Purchased Asset or any claim or right or any benefit arising thereunder for the assignment thereof to Purchaser as Purchaser may request. If, on the Closing Date, any such consent is not obtained, or if an attempted transfer or assignment thereof would be ineffective, a violation of Law or would adversely affect the rights of Purchaser (as assignee of Seller) thereto or thereunder so that Purchaser would not in fact receive all such rights, Seller and Purchaser will, subject to

Section 5.04(c) , cooperate in a mutually agreeable arrangement under which Purchaser would, in compliance with Law, obtain the benefits and assume the obligations and bear the economic burdens associated with the Purchased Asset, claim, right or benefit in accordance with this Agreement, including subcontracting, sublicensing or subleasing to Purchaser, or under which Seller would enforce, for the benefit of Purchaser, and at the expense of Purchaser, any and all of its rights against a third party thereto (including any Governmental Authority) associated with such Purchased Asset, claim, right or benefit (collectively, " Third Party Rights "), and Seller would promptly pay to Purchaser when received all monies received by them under any Purchased Asset or any claim or right or any benefit arising thereunder.

SectionII.3. Closing . On the date of this Agreement (the " Closing Date "), the closing of the sale and purchase of the Purchased Assets and the assumption of the Assumed Liabilities contemplated by this Agreement (the " Closing ") will take place at the Facility, or such other place as Seller and Purchaser may agree in writing or remotely via the exchange of executed documents and/or closing deliverables, simultaneously with the execution of this Agreement. The effective time of the sale and purchase of the Purchased Assets and the assumption of the Assumed Liabilities contemplated by this Agreement shall be deemed to occur at 12:00:01 AM Eastern Daylight Time on the Closing Date.

SectionII.4. Purchase Price .

(a) The aggregate " Purchase Price " for the Purchased Assets shall be $1,500,000, payable by delivery of the Promissory Note (as defined in Section 2.06(a)), plus the Inventory Amount (as defined in Section 2.06(b)) payable by wire transfer on the Closing Date.

(b) Within thirty (30) days following the Closing Date, Purchaser shall deliver to Seller a schedule (the " Allocation Schedule ") allocating the Purchase Price (including, for purposes of this Section 2.04(b) , any other consideration paid to Seller, the Assumed Liabilities) among the Purchased Assets. The Allocation Schedule shall be reasonable and shall be prepared in accordance with Section 1060 of the Code and the regulations thereunder. If, within thirty (30) days following delivery of the Allocation Schedule, Seller notifies Purchaser of its disagreement with the Allocation Schedule, Seller and Purchaser shall negotiate in good faith to resolve such disagreement, and if they are able to do so shall make such revisions to the Allocation Schedule to reflect such resolution. Seller and Purchaser shall file IRS Form 8594, and all Tax Returns, consistent with the Allocation Schedule. Each of Purchaser and Seller agrees to provide the other promptly with any information required to complete Form 8594. If Seller and Purchaser are unable in good faith to agree on the Allocation Schedule within thirty (30) days of Seller notifying Purchaser of its disagreement, each of Seller and Purchaser may independently prepare an Allocation Schedule.

SectionII.5. Closing Deliveries by Seller . At the Closing, Seller shall deliver or cause to be delivered to Purchaser:

(a) reasonably satisfactory evidence of Seller ' s authorization of the execution, delivery and performance of this Agreement and the Ancillary Agreements to which Seller is a party and such other documents as may be reasonably necessary to consummate the other transactions contemplated by the Transaction Agreements;

(b)

duly executed counterparts to each of the Ancillary Agreements; and

(c) such other documents and instruments as Seller and Purchaser and their respective counsel shall deem reasonably necessary or appropriate to vest in Purchaser all right, title and interest in, to and under the Purchased Assets.

SectionII.6. Closing Deliveries by Purchaser . At the Closing, Purchaser shall deliver to Seller:

(a) an unsecured promissory note in form attached hereto as Exhibit F (the " Promissory Note "), duly executed by Purchaser, and in the initial principal amount set forth in Section 2.04(a) ;

(b) the amount, if greater than $25,000, by which the actual inventory of the Business on the Closing Date exceeds the amount of the inventory shown on the June 30, 2015 Balance Sheet, as set forth in Section 2.06(b) of the Disclosure Schedules (the " Inventory Amount ");

(c) reasonably satisfactory evidence of Purchaser ' s authorization of the execution, delivery and performance of this Agreement and the Ancillary Agreements to which Purchaser is a party and such other documents as may be reasonably necessary to consummate the other transactions contemplated by the Transaction Agreements;

(d) duly executed counterparts to each of the Ancillary Agreements;

(e) true, correct and valid resale or other certificates or forms contemplated by Section 5.07(c) ; and

(f) such other documents and instruments as Seller and Purchaser and their respective counsel shall deem reasonably necessary or appropriate to vest in Purchaser all right, title and interest in, to and under the Purchased Assets.

SectionII.7. Payments and Computations . Except for the payment of the Purchase Price (which shall be paid pursuant to the Promissory Note), each party shall make each payment due to the other party to this Agreement not later than 11:00 a.m., New York City time, on the day when due. All payments shall be paid by wire transfer in immediately available funds to the account or accounts designated by the party receiving such payment. All computations of interest shall be made on the basis of a year of 365 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable. Whenever any payment under this Agreement shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall be included in the computation of payment of interest.

Article III

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Purchaser that, except as set forth in the Disclosure Schedules:

SectionIII.1. Incorporation, Qualification and Authority of Seller . Seller is a corporation duly incorporated, validly existing and in good standing under the Laws of its jurisdiction of incorporation and has all necessary corporate power to enter into, consummate the transactions contemplated by and carry out its obligations under the Transaction Agreements to which it is a party. Seller has the corporate power and authority to operate its business with respect to the Purchased Assets as now conducted and is duly qualified as a foreign corporation to do business, and, to the extent legally applicable, is in good standing, in each jurisdiction where the character of its owned, operated or leased properties or the nature of its activities makes such qualification material to the Purchased Assets, except for jurisdictions where the failure to be so qualified or in good standing has not had and would not reasonably be expected to have a Material Adverse Effect. The execution and delivery by Seller of the Transaction Agreements to which it is a party and the consummation by Seller of the transactions contemplated by, and the performance by Seller of its obligations under, the Transaction Agreements have been duly authorized by all requisite corporate action on the part of Seller. This Agreement has been, and upon execution and delivery the other Transaction Agreements to which it is a party will be, duly executed and delivered by Seller, and (assuming due authorization, execution and delivery by the parties hereto) this Agreement constitutes, and upon execution and delivery, the other Transaction Agreements will constitute, legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their terms, subject to the effect of any applicable Laws relating to bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or preferential transfer, or similar Laws relating to or affecting creditors ' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SectionIII.2. No Conflict . Provided that all consents, approvals, authorizations and other actions described in Section 3.03 have been obtained or taken or as otherwise provided in this Article III and except as may result from any facts or circumstances relating to Purchaser or its Affiliates, the execution, delivery and performance by Seller of the Transaction Agreements and the consummation by Seller of the transactions contemplated by the Transaction Agreements do not and will not (a) violate or conflict with the certificate of incorporation or bylaws of Seller, (b) conflict with or violate any Law or Governmental Order applicable to Seller or the Purchased Assets or (c) subject to Section 3.10(c) and 5.04(d), result in any breach of, or constitute a default (or event which, with the giving of notice or lapse of time, or both, would become a default) under, or give to any Person any rights of termination, amendment, acceleration or cancellation of, or result in the creation of any Lien (other than a Permitted Lien) on any of the Purchased Assets pursuant to, any note, bond, mortgage, indenture, Contract, permit or franchise to which Seller (with respect to the Purchased Assets) is a party or by which any Purchased Asset is bound or affected, except, in the case of clauses (b) and (c), for any such conflicts, violations, breaches, defaults, rights or Liens as have not had and would not reasonably be expected to have a Material

Adverse Effect or would not materially impair or delay the ability of Seller to consummate the transactions contemplated by, or to perform its obligations under, the Transaction Agreements.

SectionIII.3. Consents and Approvals . The execution and delivery by Seller of the Transaction Agreements do not, and the performance by Seller of, and the consummation by Seller of the transactions contemplated by, the Transaction Agreements will not, require any material consent, approval, authorization or other action by, or any material filing with or notification to, any Governmental Authority, except (a) where the failure to obtain such consent, approval, authorization or action or to make such filing or notification would not prevent or materially delay the consummation by Seller of the transactions contemplated by, or the performance by Seller of any of their material obligations under, the Transaction Agreements or (b) as may be necessary as a result of any facts or circumstances relating to Purchaser or its Affiliates.

SectionIII.4. Absence of Certain Changes or Events . Except as contemplated by this Agreement, from December 31, 2014 to the date of this Agreement there has not occurred any event that has had or would reasonably be expected to have, a Material Adverse Effect on the Purchased Assets or that would materially impair or delay the ability of Seller to consummate the transactions contemplated by, or to perform its obligations under, the Transaction Agreements.

SectionIII.5. Absence of Litigation . As of the date of this Agreement, except for Actions for which Seller shall remain liable pursuant to Section 2.01(d) , there is no Action pending or, to the Knowledge of Seller, threatened in writing against Seller in each case, in respect of the Purchased Assets or Assumed Liabilities, (a) pursuant to which a party seeks more than $50,000 in damages from Seller or seeks to assert any claims in excess of $50,000 against the Purchased Assets or Purchaser, (b) pursuant to which a party seeks injunctive relief that is reasonably likely to materially adversely affect the Purchased Assets or (c) that is reasonably likely to materially impair or delay the ability of Seller to consummate the transactions contemplated by, or perform its obligations under, this Agreement and the Ancillary Agreements.

SectionIII.6. Compliance with Laws . Seller is not in violation of any Laws (excluding Environmental Laws, which are the subject of Section 3.12) or Governmental Orders by which any Purchased Asset is bound or affected, except for violations the existence of which has not had and would not reasonably be expected to have, a Material Adverse Effect.

SectionIII.7. Title to the Purchased Assets . Except for Liens created by or through Purchaser or any of its Affiliates, the Purchased Assets are owned by or otherwise will be made available as of the Closing to Seller free and clear of all Liens (other than Permitted Liens).

SectionIII.8. Intellectual Property .

(a) To the Knowledge of Seller, the Product Intellectual Property included in the Purchased Assets, constitutes all material Intellectual Property used by Seller solely and exclusively in connection with the Purchased Assets in all material respects as administered or exploited on the date of this Agreement.

(b) To the Knowledge of Seller, no Person is engaging in any activity that infringes in any material respect upon the Purchased Registered Intellectual Property, except for

any such infringements that do not materially impair the ability of Seller to operate the Business as conducted on the date of this Agreement.

(c) Seller has not received any written claim or notice from any Person within the three (3) years ending on the date hereof alleging that the Purchased Registered Intellectual Property infringes in any material respect upon any Intellectual Property of any third party in any manner.

(d) This Section 3.08 constitutes the sole and exclusive representations and warranties of Seller with respect to any matters relating to Intellectual Property.

SectionIII.9. Taxes . Seller has in respect of the Purchased Assets timely filed all material Tax Returns required to be filed with the appropriate Tax authorities in all jurisdictions in which such Tax Returns are required to be filed (taking into account any extension of time to file granted or to be obtained on behalf of Seller); and (ii) all Taxes shown to be payable on such Tax Returns have been paid. Seller is not a foreign person within the meaning of Section 1445 of the Code; provided , however , that nothing in this Section 3.09 shall cause Seller to be liable for any Taxes for which Seller is not expressly liable pursuant to Section 5.07 (relating to liability for Taxes). This Section 3.09 constitutes the sole and exclusive representations and warranties of Seller with respect to any matters relating to Taxes.

SectionIII.10. Material Contracts .

(a) Section 3.10(a) of the Disclosure Schedules lists each of the Material Contracts as in effect on the date of this Agreement. Seller has made available to Purchaser correct and complete copies of each Material Contract.

(b) Each Material Contract is a legal, valid and binding obligation of Seller, and, to the Knowledge of Seller, each other party to such Material Contract, and is enforceable against Seller and, to the Knowledge of Seller, each such other party, in accordance with its terms subject, in each case, to the effect of any applicable Laws relating to bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or preferential transfers, or other similar Laws relating to or affecting creditors ' rights generally now or hereafter in effect and subject, as to enforceability, to any effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and Seller is not nor, to the Knowledge of Seller, is any other party to a Material Contract, in material default or material breach of a Material Contract and, to the Knowledge of Seller, there does not exist any event, condition or omission that would constitute such a material default or material breach (whether by lapse of time or notice or both) under any Material Contract.

(c) Notwithstanding anything herein to the contrary, but without in any way limiting Seller ' s representations and warranties pursuant to Section 3.07 or Section 3.08 , Seller makes no representation or warranty with respect to the assignment or transfer of the Technology License, including the necessity to obtain any consent of any Person to assign or transfer the Technology License.

SectionIII.11.

Employment and Employee Benefits Matters .

(a) Section 3.11(a) of the Disclosure Schedules sets forth a list of (i) all material employee benefit plans (within the meaning of Section 3(3) of ERISA) and all material retirement, welfare benefit, bonus, stock option, stock purchase, restricted stock, incentive, deferred compensation, retiree health or life insurance, supplemental retirement, severance or other benefit plans, programs or arrangements, that are maintained, contributed to or sponsored by Seller or its Affiliates for the benefit of any Product Employee, other than governmental plans or arrangements, and (ii) all individual employment, retention, termination, severance or other similar Contracts pursuant to which Seller or its Affiliates currently has any obligation with respect to any Product Employee (the plans, programs and Contracts described in clauses (i) and (ii) above are hereinafter referred to as the " Employee Plans "). Except for individual retention agreements with any employee of the Business for which Seller or an Affiliate of Seller will retain liability, no Employee Plan is maintained exclusively or primarily for the Product Employees.

(b) None of the Purchased Assets is the subject of any Lien (other than a Permitted Lien) arising under Section 302(f) of ERISA or Section 412(n) of the Code and, to the Knowledge of Seller, no fact or event exists that would reasonably be expected to give rise to any such Lien (other than a Permitted Lien).

(c) There are no material controversies pending or, to the Knowledge of Seller, threatened between Seller and any of the Product Employees.

(d) Seller is not a party to any collective bargaining agreement, works council or other employee representative or other labor union Contract applicable to the Product Employees.

(e) Section 3.11(e) of the Disclosure Schedules sets forth a list of (i) each Product Employee (as defined in Section 6.01(a)), (ii) each Inactive Product Employee (as defined in Section 6.01(a)). No Product Employee or Inactive Product Employee has any contractual right to a specified term of employment and all such Persons are " at-will " employees.

(f) This Section 3.11 constitutes the sole and exclusive representations and warranties of Seller with respect to any matters relating to employment and employee benefits matters.

SectionIII.12. Environmental Matters . Seller has not received written notice of, nor is Seller a party to, nor to the Knowledge of Seller is there pending, any claim or demand relating to Environmental Liability or Remedial Action affecting the Facility or the Purchased Assets or, to the Knowledge of Seller is there any existing event, condition or circumstances that could reasonably give rise to any material Environmental Liability of Seller or material Remedial Action affecting the Facility, for which Seller is reasonably likely to be held responsible as of the Closing Date. Seller has provided copies of all material reports and documents in its possession or under its control relating to environmental matters affecting the Purchased Assets or the Facility. The representations and warranties contained in this Section 3.12 are the only representations and

warranties being made with respect to Environmental Laws, Environmental Permits and Environmental Liabilities.

SectionIII.13. Brokers . No broker, finder or investment banker is entitled to any brokerage, finder ' s or other fee or commission from Seller or any of its Affiliates in connection with the sale of the Purchased Assets and Assumed Liabilities based upon arrangements made by or on behalf of Seller or any of its Affiliates.

SectionIII.14. No Other Representations or Warranties . EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE III (AS MODIFIED BY THE DISCLOSURE SCHEDULES) AND IN THE ANCILLARY AGREEMENTS, NEITHER SELLER NOR ANY OTHER PERSON MAKES ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WITH RESPECT TO SELLER, ITS AFFILIATES, THE PROBABLE SUCCESS OR PROFITABILITY OF THE BUSINESS, THE PURCHASED ASSETS, THE BUSINESS OR THE TRANSACTIONS CONTEMPLATED BY THE TRANSACTION AGREEMENTS, THE ASSUMED LIABILITIES OR ANY OTHER RIGHTS OR OBLIGATIONS TO BE TRANSFERRED HEREUNDER OR PURSUANT HERETO, OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION REGARDING ANY OF THE FOREGOING FURNISHED OR MADE AVAILABLE TO PURCHASER AND ITS AFFILIATES AND REPRESENTATIVES (INCLUDING ANY MANAGEMENT PRESENTATIONS, WRITTEN OR VERBAL ANSWERS TO ANY QUESTIONS AND ANY INFORMATION, DOCUMENTS OR MATERIAL DELIVERED OR MADE AVAILABLE IN ANY DATA ROOM (VIRTUAL OR OTHERWISE) IN EXPECTATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT), AND SELLER DISCLAIMS ANY OTHER REPRESENTATIONS, WARRANTIES, FORECASTS, PROJECTIONS, STATEMENTS OR INFORMATION, WHETHER MADE BY SELLER OR ANY OF ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES. SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO PURCHASER ' S BUSINESS OR ANY AGREEMENTS OR OTHER RELATIONSHIPS BETWEEN SELLER AND ITS AFFILIATES AND PURCHASER AND ITS AFFILIATES.

Article IV REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to Seller as follows:

SectionIV.1. Incorporation and Authority of Purchaser and Parent . Purchaser is a limited liability company and Parent is a corporation duly organized or incorporated, as applicable, validly existing and in good standing under the Laws of the jurisdiction of its organization or incorporation, as applicable, and each has all necessary company or corporate power to enter into the Transaction Agreements to which it is a party and to consummate the transactions contemplated by, and to carry out its obligations under, the Transaction Agreements to which it is a party. The execution and delivery of the Transaction Agreements by Purchaser and Parent, the consummation by Purchaser and Parent of the transactions contemplated by, and the performance by Purchaser and Parent of their respective obligations under, the Transaction Agreements have

been duly authorized by all requisite company and corporate action on the part of Purchaser and Parent, as applicable. This Agreement has been, and upon execution and delivery the other Transaction Agreements to which Purchaser or Parent, as applicable, is a party will be, duly executed and delivered by Purchaser and Parent, as applicable, and (assuming due authorization, execution and delivery by the parties hereto) this Agreement constitutes, and upon execution and delivery the other Transaction Agreements will constitute, legal, valid and binding obligations of Purchaser and Parent, as applicable, enforceable against Purchaser and Parent, as applicable, in accordance with their terms, subject to the effect of any applicable Laws relating to bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or preferential transfers, or similar Laws relating to or affecting creditors ' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SectionIV.2. Qualification . Each of Purchaser and Parent has all necessary company or corporate power and authority to operate its business as now conducted. Each of Purchaser and Parent is duly qualified as a foreign company or corporation to do business and, to the extent legally applicable, is in good standing in each jurisdiction where the character of its owned, operated or leased properties or the nature of its activities makes such qualification necessary, except for jurisdictions where the failure to be so qualified or in good standing would not impair or delay the ability of Purchaser or Parent to consummate the transactions contemplated by, or perform its obligations under, the Transaction Agreements.

SectionIV.3. No Conflict . Provided that all consents, approvals, authorizations and other actions described in Section 4.04 have been obtained or taken, except as may result from any facts or circumstances relating to Seller, the execution, delivery and performance by Purchaser and Parent of, and the consummation by Purchaser and Parent of the transactions contemplated by, the Transaction Agreements to which each is a party do not and will not (a) violate or conflict with the articles of incorporation, articles of organization, bylaws, operating agreement or similar organizational documents of Purchaser or Parent, (b) conflict with or violate any Law or Governmental Order applicable to Purchaser or Parent or (c) result in any breach of, or constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, or give to any Person any rights of termination, amendment, acceleration or cancellation of, or result in the creation of any Lien (other than a Permitted Lien) on any of the assets or properties of Purchaser or Parent pursuant to, any note, bond, mortgage, indenture, Contract, permit, franchise or other material instrument to which Purchaser or Parent is a party or by which any of such assets or properties is bound or affected, except, in the case of clauses (b) and (c), any such conflicts, violations, breaches, defaults, rights or Liens as would not impair or delay the ability of Purchaser or Parent to consummate the transactions contemplated by, or perform its obligations under, the Transaction Agreements.

SectionIV.4. Consents and Approvals . The execution and delivery by Purchaser and Parent of the Transaction Agreements to which each is a party do not, and the performance by Purchaser and Parent of, and the consummation by Purchaser and Parent of the transactions contemplated by, the Transaction Agreements will not, require any material consent, approval, authorization or other action by, or any material filing with or notification to, any Governmental Authority, except (a) where the failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay Purchaser or Parent from

consummating the transactions contemplated by or performing any of its material obligations under the Transaction Agreements or (b) as may be necessary as a result of any facts or circumstances relating to Seller or its Affiliates.

SectionIV.5. Absence of Litigation; Compliance with Laws . As of the date of this Agreement, there is no Action pending or, to the Knowledge of Purchaser, threatened in writing against Purchaser or Parent, nor is there any Action pending in which Purchaser or Parent is the plaintiff or claimant, that would reasonably be expected to impair or materially delay the ability of Purchaser or Parent to consummate the transactions contemplated by, or to perform its obligations under, the Transaction Agreements.

SectionIV.6. Absence of Restraints; Compliance With Laws .

(a) To the Knowledge of Purchaser, there exist no facts or circumstances that would reasonably be expected to impair or delay the ability of Purchaser or Parent to consummate the transactions contemplated by, or to perform its obligations under, the Transaction Agreements.

(b) Neither Purchaser nor Parent is in violation of any Laws or Governmental Orders applicable to it or by which any of its material assets is bound or affected, except for violations the existence of which would not reasonably be expected to impair or delay the ability of Purchaser or Parent to consummate the transactions contemplated by, or to perform its obligations under, the Transaction Agreements.

SectionIV.7. Financial Ability . As of the date of this Agreement, Purchaser has sufficient financial resources to consummate the transactions contemplated by the Transaction Agreements on the terms contemplated thereby and to pay related fees and expenses. Purchaser has furnished Seller reasonably satisfactory evidence thereof.

SectionIV.8. Solvency . Immediately after giving effect to the consummation of the transactions contemplated by the Transaction Agreements (including any financings being entered into in connection therewith):

(a) the fair saleable value (determined on a going concern basis) of the assets of Purchaser will be greater than the total amount of its Liabilities;

(b) Purchaser will be able to pay its debts and obligations in the ordinary course of business as they become due; and

(c) Purchaser will have adequate capital to carry on its businesses and all businesses in which it is about to engage.

SectionIV.9. Brokers . No broker, finder or investment banker is entitled to any brokerage, finder ' s or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Purchaser.

SectionIV.10. Investigation . PURCHASER ACKNOWLEDGES AND AGREES THAT IT (I) HAS MADE ITS OWN INQUIRY AND INVESTIGATION INTO, AND, BASED

THEREON, HAS FORMED AN INDEPENDENT JUDGMENT CONCERNING, SELLER, ITS AFFILIATES, THE PURCHASED ASSETS, THE BUSINESS AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, THE ASSUMED LIABILITIES AND ANY OTHER ASSETS, RIGHTS OR OBLIGATIONS TO BE TRANSFERRED HEREUNDER OR PURSUANT HERETO, AND (II) HAS BEEN FURNISHED WITH, OR GIVEN ADEQUATE ACCESS TO, SUCH INFORMATION ABOUT THE PURCHASED ASSETS, THE BUSINESS, THE ASSUMED LIABILITIES AND ANY OTHER ASSETS, RIGHTS OR OBLIGATIONS TO BE TRANSFERRED HEREUNDER OR PURSUANT HERETO, AS IT HAS REQUESTED. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT (I) THE ONLY REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS MADE BY SELLER ARE THE REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS MADE IN THIS AGREEMENT AND THE ANCILLARY AGREEMENTS AND PURCHASER HAS NOT RELIED UPON ANY OTHER REPRESENTATIONS OR OTHER INFORMATION MADE OR SUPPLIED BY OR ON BEHALF OF SELLER OR BY ANY AFFILIATE OR REPRESENTATIVE OF SELLER, INCLUDING ANY INFORMATION PROVIDED BY OR THROUGH MANAGEMENT PRESENTATIONS, WRITTEN OR VERBAL ANSWERS TO QUESTIONS, DATA ROOMS (VIRTUAL OR OTHERWISE) OR OTHER DUE DILIGENCE INFORMATION (INCLUDING ANY REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF ANY SUCH INFORMATION) AND THAT PURCHASER WILL NOT HAVE ANY RIGHT OR REMEDY ARISING OUT OF ANY SUCH REPRESENTATION OR OTHER INFORMATION, (II) ANY CLAIMS PURCHASER MAY HAVE FOR BREACH OF A REPRESENTATION OR WARRANTY SHALL BE BASED SOLELY ON THE REPRESENTATIONS AND WARRANTIES OF SELLER SET FORTH IN ARTICLE III HEREOF (AS MODIFIED BY THE DISCLOSURE SCHEDULES) AND (III) EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, PURCHASER SHALL ACQUIRE THE PURCHASED ASSETS AND THE ASSUMED LIABILITIES WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO MERCHANTABILITY, SATISFACTORY QUALITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IN " AS-IS " CONDITION AND ON A " WHERE-IS " BASIS. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO, AND THAT PURCHASER WILL NOT HAVE ANY RIGHT OR REMEDY ARISING OUT OF ANY LOSSES RELATING TO OR RESULTING FROM, PURCHASER ' S BUSINESS OR ANY AGREEMENTS OR OTHER RELATIONSHIPS BETWEEN SELLER AND ITS AFFILIATES AND PURCHASER AND ITS AFFILIATES.

SectionIV.11. No Knowledge of Breach . On the date hereof, neither Purchaser nor Parent is aware of, and has no knowledge of, any facts, circumstances or events that would cause any of the representations and warranties of Seller to be untrue in any respect.

Article V ADDITIONAL AGREEMENTS

SectionV.1. Access to Information . In addition to the provisions of Section 5.02 , from and after the Closing Date, in connection with any reasonable business purpose, including the preparation of Tax Returns, claims relating to Excluded Liabilities, financial statements, or the

determination of any matter relating to the rights or obligations of Seller or any of its Affiliates under any of the Transaction Agreements, upon reasonable prior notice, and except as determined in good faith to be necessary to (i) ensure compliance with any applicable Law, (ii) preserve any applicable privilege (including the attorney-client privilege), or (iii) comply with any contractual confidentiality obligations, Purchaser shall, and shall cause its Affiliates and its Representatives to, (A) afford the Representatives of Seller and its Affiliates reasonable access, during normal business hours, to the offices, properties, books and records of Purchaser and its Affiliates in respect of the Business and the Purchased Assets (and related Liabilities), (B) furnish to the Representatives of Seller and its Affiliates such additional financial and other information regarding the Business and the Purchased Assets (and related Liabilities) as Seller or its Representatives may from time to time reasonably request and (C) make available to the Representatives of Seller and its Affiliates those employees of Purchaser and its Affiliates whose assistance, expertise, testimony, notes and recollections or presence may be necessary to assist Seller, its Affiliates or its or their respective Representatives in connection with its inquiries for any of the purposes referred to above, including the presence of such persons as witnesses in hearings or trials for such purposes; provided , however , that such investigation shall not unreasonably interfere with the business or operations of Purchaser or any of its Affiliates; provided , further , that the auditors and accountants of Purchaser or its Affiliates shall not be obligated to make any work papers available to any Person except in accordance with such auditors ' and accountants ' normal disclosure procedures and then only after such Person has signed a customary agreement relating to such access to work papers in form and substance reasonably acceptable to such auditors or accountants. If so requested by Purchaser, Seller or one of its Affiliates shall enter into a customary joint defense agreement with Purchaser and its Affiliates with respect to any information to be provided to Seller pursuant to this Section 5.01 .

SectionV.2. Preservation of Books and Records . Seller and its Affiliates shall have the right to retain copies of all books and records of the Business relating to periods ending on or prior to the Closing Date. Purchaser agrees that it shall preserve and keep, or cause to be preserved and kept, all original books and records in respect of the Business in the possession of Purchaser or its Affiliates for the longer of (a) any applicable statute of limitations and (b) a period of six (6) years from the Closing Date. During such period, (x) Representatives of Seller and its Affiliates shall, upon reasonable notice and for any reasonable business purpose, have access during normal business hours to examine, inspect and copy such books and records and (y) Purchaser shall provide, or cause to be provided to, Seller or its Affiliates, access to such original books and records of the Business as Seller or its Affiliates shall reasonably request in connection with any Action to which Seller or any of its Affiliates are parties or in connection with the requirements of any Law applicable to Seller or any of its Affiliates. Seller or its Affiliates, as applicable, shall return such original books and records to Purchaser as soon as such books and records are no longer needed in connection with the circumstances described in the immediately preceding sentence. After such six-year or longer period, before Purchaser or any of its Affiliates shall dispose of any of such books and records, Purchaser shall give at least ninety (90) days ' prior written notice of such intention to dispose to Seller, and Seller or any of its Affiliates shall be given an opportunity, at its cost and expense, to remove and retain all or any part of such books and records as it may elect. If so requested by Purchaser, Seller or any of its Affiliates shall enter into a customary joint defense agreement with Purchaser or its Affiliates with respect to any information to be provided to Seller or its Affiliates pursuant to this Section 5.02 .

SectionV.3.

Confidentiality . The confidentiality obligations of that certain letter agreement dated as of April 22, 2015 (the " Confidentiality Agreement ") between Parent and GE are incorporated into this Agreement by reference and shall continue in full force and effect (including with respect to Purchaser) until the Closing, at which time the confidentiality obligations under the Confidentiality Agreement shall terminate; provided , however , that Purchaser ' s and its Affiliates ' confidentiality obligations shall terminate only in respect of that portion of the Evaluation Material (as defined in the Confidentiality Agreement) exclusively relating to the Purchased Assets and Assumed Liabilities , and Purchaser ' s and its Affiliates ' other obligations under the Confidentiality Agreement shall continue in full force and effect in accordance with the terms thereof. If, for any reason, the sale of the Purchased Assets is not consummated, the Confidentiality Agreement shall nonetheless continue in full force and effect.

SectionV.4. Regulatory and Other Authorizations; Consents .

(a) Purchaser shall use its best efforts, and shall cause its Affiliates to use their respective best efforts, to (i) promptly obtain all authorizations, consents, orders and approvals of all Governmental Authorities that may be, or become, necessary for its execution and delivery of, performance of its obligations pursuant to, and consummation of the transactions contemplated by, the Transaction Agreements, (ii) take all such actions as may be requested by any such Governmental Authority to obtain such authorizations, consents, orders and approvals and (iii) avoid the entry of, or effect the dissolution of, any decree, order, judgment, injunction, temporary restraining order or other order in any suit or proceeding, that would otherwise have the effect of preventing or materially delaying the consummation of the transactions contemplated by the Transaction Agreements. Seller shall and shall cause its Affiliates, to reasonably cooperate with Purchaser in connection with obtaining the foregoing consents or approvals, provided that such cooperation shall not expose Seller or its Affiliates to any expense or liability. Neither Seller nor Purchaser nor their respective Affiliates shall take any action that would reasonably be expected to have the effect of delaying, impairing or impeding the receipt of any required authorizations, consents, orders or approvals.

(b) Seller and Purchaser each agrees to make as promptly as practicable (and in any event within the required time periods for filing under applicable Law) any filing that may be required by Law with respect to the transactions contemplated by the Transaction Agreements under any antitrust or competition Law or by any antitrust or competition authority. Seller and Purchaser shall each have sole responsibility for its respective filing fees associated with such filings.

(c) Seller and Purchaser shall each promptly notify the other party of any oral or written communication it receives from any Governmental Authority relating to the matters that are the subject of this Agreement, permit the other party to review in advance any communication proposed to be made by such party to any Governmental Authority and provide the other party with copies of all correspondence, filings or other communications between them or any of their Representatives, on the one hand, and any Governmental Authority or members of its staff, on the other hand. Neither Seller nor Purchaser shall agree to participate in any meeting or discussion with any Governmental Authority in respect of any such filings, investigation or other inquiry unless it consults with the other party in advance and, to the extent permitted by such Governmental Authority, gives the other party the opportunity to attend and participate at

such meeting. Subject to the Confidentiality Agreement, Seller and Purchaser will each coordinate and cooperate fully with the other party in exchanging such information and providing such assistance as the other party may reasonably request in connection with the foregoing and in seeking early termination of any applicable waiting periods under any Law in any relevant foreign jurisdiction.

(d) Seller and Purchaser agree to cooperate in obtaining any other consents and approvals that may be required in connection with the transactions contemplated by the Transaction Agreements; provided , however , that Seller shall not be required to compensate any third party, commence or participate in litigation or offer or grant any accommodation (financial or otherwise) to any third party to obtain any such consent or approval and Purchaser shall be solely responsible for providing any notice of assignment to regarding the assignment of the Technology License pursuant to this Agreement and the Assignment and Assumption Agreement in the form of Exhibit D . Seller shall have no liability to Purchaser resulting from any consent or approval not being obtained.

SectionV.5. Insurance .

(a) From and after the Closing Date, the Business and the Purchased Assets shall cease to be insured by, have access or availability to, be entitled to make claims on, be entitled to claim benefits from or seek coverage under any of GE ' s or its Subsidiaries and/or Affiliates ' insurance policies or any of their self-insured programs (for purposes of this Section 5.05 , " GE " shall include, where appropriate to the context, its Subsidiaries and/or Affiliates), other than with respect to any claim, act, omission, event, circumstance, occurrence or Loss that occurred or existed prior to the Closing Date (hereinafter, a " Triggering Event ").

(b) With respect to any Triggering Event relating to the Purchased Assets, Assumed Liabilities or Transferred Employees that would be covered by GE ' s third party occurrence-based general liability insurance policies, employers ' liability insurance policies and/or workers ' compensation self-insurance, state or country comparable country programs (the " Available Insurance Policies "), Purchaser and its Affiliates may access, make claims on, claim benefits from or seek coverage under such policies and programs for a one-year period concluding on the first anniversary of the Closing Date, subject to the terms and conditions of such policies and programs and this Agreement; provided that:

(i) Purchaser shall promptly notify GE, in accordance with Section 8.03 , c/o GE ' s Corporate Insurance Department, of all such claims and/or efforts to seek benefits or coverage and shall cooperate with GE in pursuing all such claims, provided that Purchaser or its Affiliates shall be solely responsible for notifying the insurance companies of and complying with all policy conditions for such claims;

(ii) GE shall have the right but not the duty to monitor and/or control any coverage claims or requests for benefits asserted by Purchaser or its Affiliates under the Available Insurance Policies, including the coverage positions and arguments asserted therein;

(iii)

Purchaser shall exclusively bear (and GE shall have no obligation to repay or reimburse Purchaser or its Affiliates) the amount of any and all insurance deductibles, whether such claims are made by Purchaser or its Affiliates its employees or third parties, and shall be liable for all uninsured, uncovered, unavailable or uncollectible amounts of such claims;

(iv) Purchaser shall not, without the written consent of GE (i) erode, exhaust, settle, release, commute, buy-back or otherwise resolve disputes with respect to any available insurance policies and programs, or amend, modify or waive any rights under any such insurance policies and programs or (ii) assign the Available Insurance Policies or their rights or claims under the Available Insurance Policies; and

(v) (A) Available Insurance Policies shall not include any of GE ' s claims-made or occurrence-reported liability policies, GE ' s property, terrorism, transit, and construction all risk insurance policies, and/or GE ' s aviation liability policies; and (B) Purchaser and its Affiliates shall not be permitted and shall have no right to be insured by, have access or availability to, to make claims on, be entitled to benefits from, or seek coverage under the Available Insurance Policies after the first anniversary hereof.

(c) GE shall retain the exclusive right to control all of its insurance policies and programs, including the Available Insurance Policies, and the benefits payable thereunder, including the right to exhaust, settle, release, commute, buy-back or otherwise resolve disputes with respect to any of its insurance policies and programs and to amend, modify or waive any rights under any such insurance policies and programs, notwithstanding whether any such policies or programs apply to any liabilities, commitments, obligations and/or claims that Purchaser or its Affiliates has made or could make in the future, including coverage claims with respect to Triggering Event(s), provided further that Purchaser or its Affiliates shall cooperate with GE and share such information as is reasonably necessary in order to permit GE to manage and conduct its insurance matters as GE deems appropriate and that Purchaser and its Affiliates hereby give consent for GE to inform any affected insurer of this Agreement and to provide such insurer with a copy hereof. Purchaser and its Affiliates, in connection with any claim that Purchaser elects to make under the Available Insurance Policies pursuant to the terms of this Section 5.05 , shall pursue rights of recovery against third parties with respect to claims or Losses for which Purchaser and its Affiliates have the ability to mitigate via contract or tort and shall cooperate with GE with respect to pursuit of such rights. The order of priority of any such recoveries shall inure first to GE to reimburse any and all costs incurred by GE directly or indirectly as a result of such claims or Losses.

(d) At Closing, Purchaser has in effect all insurance programs to comply with any and all of Purchaser ' s contractual and statutory obligations.

(e) With respect to any claim payments made on all open, closed and re-opened claims covered under GE ' s workers ' compensation, employers ' liability insurance policies and/or comparable workers ' compensation self-insurance, state or country programs, Purchaser will reimburse GE for all claim payments arising from occurrences prior to the Closing

Date and any catastrophic coverage charges, overhead, claim handling and administrative costs, Taxes, surcharges, state assessments, reinsurance cost, other related costs relating to Transferred Employees, whether such claims are made by Purchaser, its employees or third parties. Any payments, costs and adjustments required to be made by Purchaser pursuant to this or any other provisions of this Section 5.05 shall be billed quarterly and payable within thirty (30) days from receipt of invoice, according to the terms set forth in Section 2.07 . If payment is not made within thirty (30) days of invoice, the outstanding amount will accrue interest at an annualized rate of ten percent (10%).

(f) Purchaser and its Affiliates shall defend and indemnify GE for any and all claims, Losses, costs, fees and expenses incurred arising from (i) Purchaser ' s failure to procure contractual or statutory obligated insurance at Closing, (ii) any claims made or benefits sought under the Available Insurance Policies after the first anniversary of the Closing Date, or (iii) any claims made or benefits sought after the Closing Date by Purchaser, its employees or third parties under GE ' s claims-made or occurrence-based liability policies, GE ' s property insurance policies (which include property, terrorism, transit, and Construction-All-Risk), aviation liability policies; and (iii) breach of any of the provisions of this Section 5.05 . Without limitation of GE ' s right to obtain injunctive and other relief as may be appropriate, GE, on the one hand, and Purchaser and its Affiliates, on the other hand, agree that it would be impracticable and extremely difficult to ascertain the amount of actual damages caused by breach of the provisions of this Section 5.05(f) and therefore agree that, in the event breach of that provision is established, Purchaser and its Affiliates shall pay to GE, as liquidated damages, the amount of any such benefits or coverage paid by the insurer(s) and that this liquidated damages provision represents reasonable compensation for the Loss which would be incurred by GE due to any such breach.

(g) Nothing in this Agreement is intended to waive or abrogate in any way GE ' s own rights to insurance coverage for any Liability, whether relating to the Business, the Purchased Assets or otherwise.

SectionV.6. Termination of Rights to Seller Marks, the GE Name and GE Marks .

(a) Except as otherwise provided in this Section 5.06 or expressly granted in the Transitional Trademark License Agreement, Purchaser and its Affiliates (which, for the purposes of this Section 5.06 shall include the Business) shall cease and discontinue all uses of the Seller Marks or any other trademarks similar to any of the Seller Marks upon the Closing. Except as otherwise provided in this Section 5.06 or expressly granted in the Transitional Trademark License Agreement, Purchaser and its Affiliates (which, for the purposes of this Section 5.06 shall include the Business) shall cease and discontinue all uses of the GE Name and GE Marks or any other Trademarks confusingly similar to any GE Name or GE Mark immediately upon the Closing. Purchaser, for itself and its Affiliates, agrees that the rights of the Business to use the GE Name and GE Marks pursuant to the terms of any trademark agreements between GE and its Affiliates, on the one hand, and the Business, on the other hand, shall terminate on the Closing Date and any rights of Purchaser, for itself and its Affiliates, to use the GE Name or GE Marks shall be limited solely to the rights expressly granted in the Trademark License Agreement.

(b)

Except as expressly granted in the Transitional Trademark License Agreement, Purchaser and its Affiliates shall (i) as promptly, and in any event no later than six (6) [1] months after the Closing Date, cease all use of any of the Seller Marks and the GE Name and GE Marks (collectively for purposes of this Section 5.06 , the " Licensed Marks ") on or in connection with all stationery, business cards, purchase orders, lease agreements, warranties, indemnifications, invoices and other similar correspondence and other documents of a contractual nature, (ii) promptly, and in any event no later than six (6) months after the Closing Date, complete the removal of any of the Licensed Marks from all products, services and technical information promotional brochures, and (iii) with respect to the Purchased Assets bearing any of the Licensed Marks re-label such assets or remove such Licensed Marks from such assets promptly, and in any event no later than two (2) months after the Closing Date. Purchaser, for itself and its Affiliates, agrees that after the Closing Date, Purchaser and its Affiliates (A) will not do business as or represent themselves as GE or its Affiliates, and (B) will cooperate with GE or any of its Affiliates in terminating any Contracts pursuant to which GE or the Business licenses any of the Licensed Marks to customers. The right to use the Licensed Marks provided in this Section 5.06 is pursuant to a non-exclusive, non-transferable license, with no right to sublicense, extended by GE and its Affiliates to Purchaser and its Affiliates, for the time periods following the Closing Date provided herein and only in connection with the Business as conducted on or prior to the Closing Date, and in each case in strict accordance with at least the same high standards that are observed immediately prior to the Closing Date by the Business, and subject to the following limitations:

(i) The license is limited to the use of the Licensed Marks on or in connection with the materials listed in Section 5.06(b) in the form used by the Business at or prior to the Closing Date.

(ii) If, in the sole discretion of GE and its Affiliates, it is required or advisable for the purpose of making this Agreement enforceable, or for the purpose of maintaining, enhancing or protecting the rights in the Licensed Marks to enter Purchaser and its Affiliates as registered or authorized users of the Licensed Marks, GE and its Affiliates will attend to such entry, and Purchaser and its Affiliates shall, if required, promptly execute and deliver such additional instruments or documentation as may be requested, including execution and delivery of substitute or short-form license agreements with terms consistent with (and to the extent legally permissible in the applicable jurisdiction, identical to) this Agreement for recordation or registration in specified countries. The terms and conditions of this Agreement (and not the terms and conditions of such substitute or short-form license agreements entered into for recording or entry purposes) shall be binding between the parties throughout the world and shall govern and control any controversy that may arise with respect to each party ' s rights and obligations hereunder; provided , however , that if specific terms and conditions of any such substitute or short-form license agreement differ from the comparable terms and conditions of this Agreement and only if enforcement of the comparable terms and conditions of this Agreement pursuant to this provision either would be uncertain or improper under the Laws of the applicable country or would adversely affect the rights of GE and its Affiliates in and to the Licensed Marks in such country, then the specific terms and conditions of the substitute or short-form license agreement shall be controlling in such country.

(iii)

Purchaser and its Affiliates shall supply GE and its Affiliates with such information as may be reasonably requested in order to acquire, maintain and renew registrations for the Licensed Marks, to record this Agreement, to enter Purchaser and its Affiliates as registered or authorized users of the Licensed Marks or for any purpose reasonably related to the maintenance and protection of the Licensed Marks. Purchaser and its Affiliates shall fully cooperate with reasonable requests in the execution, filing, and prosecution of any registration of a Trademark or copyright relating to the Licensed Marks that GE and its Affiliates may desire to obtain.

(iv) GE and its Affiliates retain the sole right to protect at their sole discretion the Licensed Marks, including deciding whether and how to file and prosecute applications to register the Licensed Marks, whether to abandon such applications or registrations, whether to discontinue payment of any maintenance or renewal fees with respect to any such registrations, and whether to commence actions and proceedings in connection with infringement or other violations of the Licensed Marks.

(v) Other than with the prior written consent of GE and its Affiliates, to be granted or withheld in their sole discretion, Purchaser and its Affiliates shall not enter into any agreements relating to the placement of paid listings for " keyword " or similar website searches that consist of the Licensed Marks either alone or in combination with other words or phrases.

(vi) Purchaser and its Affiliates shall render to GE and its Affiliates full and prompt cooperation for the enforcement and protection of the Licensed Marks.

(c) Except as expressly granted in the Transitional Trademark License Agreement, promptly after the Closing Date, and in any event no later than ten (10) days after the Closing Date, Purchaser and its Affiliates shall make all filings with any office, agency or body and take all other actions necessary to effect the elimination of any use of the Licensed Marks from the corporate names, registered names or registered fictitious names of the Business.

(d) Purchaser, for itself and its Affiliates, acknowledges and agrees that, except to the extent expressly provided in this Section 5.06 or as expressly granted in the Transitional Trademark License Agreement, neither Purchaser nor any of its Affiliates shall have any rights in any of the Licensed Marks and neither Purchaser nor any of its Affiliates (i) shall contest the validity, enforceability, registration or ownership of any rights of GE or any of its Affiliates in or to any of the Licensed Marks, and (ii) for as long as GE or any of its Affiliates shall own any rights in the Licensed Marks, shall not willingly do or cause to be done any act or thing disparaging, disputing, attacking, challenging, impairing, diluting, or in any way tending to harm the reputation or goodwill associated with any of the Licensed Marks. Purchaser and its Affiliates agree that any and all goodwill, rights or interests that might be acquired by their use of the Licensed Marks shall inure to the sole benefit of GE and its Affiliates. If Purchaser or its Affiliates obtain rights or interests in the Licensed Marks, other than the rights expressly granted in the Transitional Trademark License Agreement, Purchaser and its Affiliates hereby transfer, and shall execute any additional documents or instruments necessary or desirable to transfer, those rights or interests to GE or its Affiliates.

(e)

For avoidance of doubt, nothing in this Section 5.06 shall be construed to limit or alter the rights expressly granted to Purchaser and its Affiliates under the Transitional Trademark License Agreement.

SectionV.7. Taxes .

(a) Seller shall be liable for and shall pay all Taxes (whether assessed or unassessed) applicable to the Business, the Purchased Assets and the Assumed Liabilities, in each case attributable to taxable years or periods ending on or prior to the Closing Date and, with respect to any Straddle Period, the portion of such Straddle Period ending on and including the Closing Date. Purchaser shall be liable for and shall pay all Taxes (whether assessed or unassessed) applicable to the Business, the Purchased Assets and the Assumed Liabilities that are attributable to taxable years or periods beginning after the Closing Date and, with respect to any Straddle Period, the portion of such Straddle Period beginning after the Closing Date. For purposes of this Section 5.07(a) , any Straddle Period shall be treated on a " closing of the books " basis as two partial periods, one ending at the close of the Closing Date and the other beginning on the day after the Closing Date, except that Taxes (such as property Taxes) imposed on a periodic basis shall be allocated on a daily basis.

(b) Notwithstanding Section 5.07(a) , Purchaser shall be liable for any sales Tax, use Tax, real property transfer or gains Tax, gross receipts Tax, excise Tax, value-added Tax, services Tax, documentary stamp Tax or similar Tax attributable to the sale or transfer of the Purchased Assets or the Assumed Liabilities. Each of Seller and Purchaser agree to timely sign and deliver such resale or other certificates or forms as may be necessary or appropriate to establish an exemption from (or otherwise reduce) such Taxes. For the avoidance of doubt, if a taxing authority subsequently rejects any such certificates or forms, Purchaser shall be liable for the resulting Tax.

(c) Seller or Purchaser, as the case may be, shall provide reimbursement for any Tax paid by one party all or a portion of which is the responsibility of the other party in accordance with the terms of this Section 5.07 . Within a reasonable time prior to the payment of any said Tax, the party paying such Tax shall give notice to the other party of the Tax payable and the portion which is the liability of each party, although failure to do so will not relieve the other party from its liability hereunder.

(d) After the Closing Date, each of Seller and Purchaser shall (and cause their respective Affiliates to):

(i) provide the other party any information reasonably necessary for such other party to prepare any Tax Returns which such other party is responsible for preparing and filing;

(ii) cooperate fully in preparing for any audits of, or disputes with taxing authorities regarding, any Tax Returns (to the extent relating to the Purchased Assets);

(iii) make available to the other and to any taxing authority as reasonably requested all information, records and documents relating to Taxes;

(iv)

provide timely notice to the other in writing of any pending or threatened Tax audits or assessments relating to Taxes relating to the Purchased Assets or the transactions contemplated by this Agreement for taxable periods for which the other may have a Liability under this Section 5.07 ; and

(v) furnish the other with copies of all correspondence received from any taxing authority in connection with any Tax audit or information request with respect to any such taxable period.

SectionV.8. Ancillary Agreements .

(a) At or prior to the Closing, Seller and Purchaser shall execute and deliver the Transition Services Agreement substantially in the form attached as Exhibit B (the " Transition Services Agreement ").

(b) At or prior to Closing, Seller and Purchaser shall execute and deliver an executed bill of sale, assignment, transfer and conveyance in respect of the Purchased Assets as is necessary to effect the transactions contemplated by the Transaction Agreements substantially in the form attached as Exhibit C (the " Bill of Sale ").

(c) At or prior to Closing, Seller and Purchaser shall execute and deliver an executed instrument of assumption in respect of the Assumed Liabilities as is necessary to effect the transactions contemplated by the Transaction Agreements substantially in the form attached as Exhibit D (the " Assignment and Assumption Agreement ").

(d) At or prior to Closing, Seller and Purchaser shall execute and deliver the Transitional Trademark License Agreement substantially in the form attached as Exhibit E (the " Transitional Trademark License Agreement ").

(e) At or prior to Closing, Parent shall execute and deliver the Parent Guaranty substantially in the form attached as Exhibit G (the " Parent Guaranty ").

(f) At or prior to Closing, Seller and Purchaser shall execute and deliver the Global Employee Services Agreement in the form attached as Exhibit H .

(g) At or prior to Closing, Seller shall execute and deliver the Assignment of Patents and Trademarks in the form attached as Exhibit I .

(h) At or prior to Closing, Seller shall provide purchaser with a letter describing the compensation and benefits of each Transferred Employee (the " Employee Benefits Letter ")

(i) At or prior to Closing, Seller, Purchaser and the landlord under the Facility lease shall execute and deliver the Assignment and Assumption Agreement related to the Facility lease in the agreed form, attached hereto as Exhibit J.

SectionV.9.

Further Action .

(a) Each of Seller and Purchaser shall (i) execute and deliver, or shall cause to be executed and delivered, such documents and other papers and shall take, or shall cause to be taken, such further actions as may be reasonably required to carry out the provisions of the Transaction Agreements and give effect to the transactions contemplated by the Transaction Agreements and (ii) without limiting the foregoing, use its reasonable best efforts to cause all of the conditions to the obligations of the other party to consummate the transactions contemplated by this Agreement to be met as promptly as practicable; provided , however , that nothing in this Section 5.09(a) shall require Seller or any of its Affiliates, on the one hand, or Purchaser or any of its Affiliates, on the other hand, to pay money to, commence or participate in any Action with respect to, or offer or grant any accommodation (financial or otherwise) to, any third Person. Without limitation on the foregoing, Seller covenants that Seller shall, at the cost and expense of Purchaser, execute and deliver additional documents in form and substance reasonably acceptable to Seller as may be reasonably necessary or desirable to record, memorialize, and perfect the assignment of the Purchased Registered Intellectual Property to Purchaser.

(b) Seller hereby authorizes Purchaser, to the fullest extent permitted by applicable law, to file in Purchaser ' s own name and at Purchaser ' s own cost applications for patents and for trademark, service mark and copyright registration in the United States and in foreign countries in connection with the Purchased Registered Intellectual Property, and to secure in Purchaser ' s own name the patents and registrations granted thereon.

(c) Each of Seller and Purchaser shall keep each other reasonably apprised of the status of the matters relating to the completion of the transactions contemplated by the Transaction Agreements. From time to time following the Closing, Seller and Purchaser shall, and shall cause their respective Affiliates, to execute, acknowledge and deliver all reasonable further conveyances, notices, assumptions, releases and acquittances and such instruments, and shall take such reasonable actions as may be necessary or appropriate to make effective the transactions contemplated hereby as may be reasonably requested by the other party.

(d) Seller and Purchaser acknowledge and agree that the Purchased Assets may include certain assets, rights and claims that are not related exclusively to the Product. If, following the Closing, Purchaser or Seller reasonably determines that any such asset was transferred to Purchaser, such parties agree, if and to the extent otherwise consistent with the Transaction Agreements, to cooperate to transfer back to Seller or its designated Affiliate such asset as promptly as practicable without the payment of consideration. Seller and Purchaser acknowledge and agree that certain assets of Seller or its Affiliates related exclusively to the Product may not have been transferred pursuant to this Agreement. If, following the Closing, Seller or Purchaser determines that any such asset was not transferred to Purchaser, such parties agree, if and to the extent otherwise consistent with the Transaction Agreements, to cooperate to transfer such asset to Purchaser as promptly as practicable without the payment of any further consideration.

(e) If, after the Closing Date, Seller or Purchaser identifies any Product Intellectual Property owned by Seller that as of the Closing Date should have been but inadvertently was not previously transferred by Seller to Purchaser, then to the extent it has the

right to do so without paying compensation to a third party, Seller shall offer, if and to the extent otherwise consistent with the Transaction Agreements, to transfer such Product Intellectual Property to Purchaser for no additional consideration.

(f) If, after the Closing Date, Seller or Purchaser identifies any Intellectual Property that was transferred by Seller which was not Product Intellectual Property as of the Closing Date, Purchaser shall promptly transfer such Intellectual Property to Seller or its designated Affiliate for no additional consideration if and to the extent otherwise consistent with the terms of the Transaction Agreements.

(g) Purchaser agrees to assist Seller at Seller ' s expense in collecting the outstanding receivables, listed in Section 5.09(f) of the Disclosure Schedules, from in that amount in Section 5.09(f) of the Disclosure Schedules (the " Receivable "). Purchaser shall follow all reasonable instructions of Seller in connection with collecting the Receivable, including suspending the sale of equipment, parts and services to upon Seller ' s request; provided that Purchaser shall not be required to take any action or fail to take any action that could, in the judgment of Purchaser, expose Purchaser to any material Loss, including any claims under the Technology License. Purchaser agrees that if it receives any amounts in payment of the Receivables or any other outstanding accounts receivables of the Business, it shall immediately pay over such amounts to Seller.

SectionV.10. Certain Transfers . Each of Seller and Purchaser understands and agrees that any transfers, assignments, sales or other dispositions of assets, interest, rights or otherwise pursuant to Section 5.09 shall be made on an " AS-IS, " " WHERE-IS " basis, without representation or, warranty of any kind, and without recourse to the party making such transfer, assignment, sale or other disposition, and without recourse to the recipient thereof.

SectionV.11. Solvency After Closing . After the Closing, Purchaser agrees that it shall not take or cause to be taken or omit to take any action that could result in a determination pursuant to applicable Law that, after giving effect to the transactions contemplated by the Transaction Agreements (or after giving effect to such transactions and to such other subsequent actions or omissions), Purchaser (a) was insolvent at the time of the Closing, (b) became insolvent as a result of the transactions contemplated by the Transaction Agreements, (c) was left with unreasonably small capital with which to engage in its business or (d) incurred debts beyond its ability to pay such debts as they mature, such that the payment of the Purchase Price may be deemed a " fraudulent conveyance " or impermissible dividend or distribution under applicable Law or otherwise subject to claims of any creditors of Purchaser or its trustees in bankruptcy proceedings.

Article VI EMPLOYEE MATTERS

SectionVI.1. Employment of Certain Product Employees .

(a) *Continuation of Employment* . As of the Closing Date, the Purchaser shall (i) cause each of the Business Subsidiaries to continue to employ all of its employees, and (ii)

offer, or cause its Affiliates to offer, comparable employment as of the Closing Date as a successor employer to each employee who is primarily employed in connection with the Product by GE or any of its Affiliates (excluding the Business Subsidiaries) and each individual who provides services primarily in support of the Product (each of the individuals described in clauses (i) and (ii) is referred to as a " Product Employee ") and who is actively employed (including employees on vacation, holiday, jury duty or other similar absence) immediately prior to the Closing Date. The Purchaser also shall, or shall cause its Affiliates to, offer re-instatement or employment as a successor employer, as the case may be, to each Product Employee who is not actively employed immediately prior to the Closing Date and who has a right of re-instatement per GE policy or applicable Law (collectively, " Inactive Product Employees "), in each case promptly upon his or her return from any leave or other absence. The Product Employees who are employed by a Business Subsidiary or who accept an employment offer from the Purchaser or any of its Affiliates as of the Closing Date are referred to as the " Transferred Employees " , and any Inactive Product Employee shall be treated as a Transferred Employee upon his or her return to, or commencement of, active employment with the Purchaser or its Affiliates. Neither the Purchaser nor any of its Affiliates shall be obligated, however, to continue to employ any Transferred Employee for any specific period of time following the Closing Date, subject to applicable Law. Notwithstanding the foregoing, the Product Employees subject to the terms of the Global Employee Service Agreement in form attached hereto Exhibit H (" GESA ") shall transition to the Purchaser in accordance with the terms therein.

(b) *Terms and Conditions of Employment* . During the period set forth in Section 6.01(a) , and provided they remain in the employ of Purchaser or its Affiliates, each Transferred Employee shall be entitled to receive at least the same salary, wages, incentive compensation, bonus opportunities, and other material terms and conditions of employment in the aggregate as were provided to such employee immediately prior to the Closing Date and as set forth in the Employee Benefits Letter in accordance with Section 5.08(h). The term " other material terms and conditions " in the preceding sentence is limited to practices which, if changed or eliminated, could reasonably give rise to a claim for monetary damages under applicable Law or contract . In addition, during the period set forth in Section 6.01(a) , provided they remain in the employ of Purchaser, Purchaser shall, or shall cause its Affiliates to, provide the Transferred Employees with substantially equivalent employee benefits (including tax-qualified and non-qualified defined benefit pension and retiree health benefits) having a comparable aggregate employer-provided value to all benefits provided to such employee under the applicable Employee Plans in effect immediately prior to the Closing Date and as set forth in Section 3.11(e) of the Disclosure Schedules; provided that for purposes of this covenant, stock options and other equity awards shall be disregarded.

(c) *Bonuses* . As of the Closing Date, the Purchaser shall assume all obligations to each Product Employee pursuant to any cash incentive or bonus program covering such Product Employee as of the Closing Date. Consistent with the Purchaser ' s obligations under this Section 6.01(a) , the Purchaser shall, or shall cause its Affiliates to, pay Product Employees incentive compensation on the same basis as in effect prior to the Closing Date for the applicable performance measurement period commencing with the Closing Date.

(d) *Individual Employee Agreements* . Neither Purchaser nor any of its Affiliates shall assume any obligations under or Liabilities with respect to individual employment,

retention, termination, severance and other similar agreements (collectively, " Employee Agreements ") relating to any Product Employee or other Person employed by GE or any of its Affiliates as of the Closing Date.

(e) *Vacation and Paid Time Off* . The Purchaser shall, or shall cause its Affiliates to, provide vacation benefits to Transferred Employees for so long as they are employed with the Purchaser or its Affiliates that are at least as favorable as those provided under the applicable vacation program of the Purchaser or its Affiliates; provided, however, that each Transferred Employee shall be entitled annually to at least the number of vacation days such Transferred Employee was entitled to under the applicable vacation program of GE or its Affiliates immediately prior to the Closing Date. Effective as of the Closing Date, the Purchaser shall, or shall cause its Affiliates to, assume or retain, as the case may be, all obligations of GE and its Affiliates for the accrued, unused vacation and paid time off of the Product Employees and former employees of the Business, and shall reimburse GE or its Affiliates (other than the Business Subsidiaries) for any accrued and unused vacation and paid time off required to be paid by any of them to any Product Employees or former employees of the Business. GE shall have no obligation or liability to pay or provide any vacation or paid time off payments claimed by any Product Employee on or after the Closing Date.

(f) *Severance Benefits* . Notwithstanding anything to the contrary in this Agreement the Purchaser shall, or shall cause its Affiliates to provide severance benefits to any Transferred Employee who is laid off or terminated during the one-year period following the Closing Date in an amount that is equal to the greater of (i) the severance benefits (including severance payments, transition payments and continued health coverage) that the employee would have been entitled to pursuant to and under circumstances consistent with the terms of the applicable Employee Plans as in effect on the Closing Date or (ii) the severance benefits provided under the severance arrangements of Purchaser and its Affiliates applicable to similarly situated employees, in each case to be calculated, however, on the basis of the employee ' s compensation and service at the time of the layoff or other termination.

(g) *Credit for Service* . Purchaser shall, or shall cause its Affiliates to, credit Transferred Employees for service earned on and prior to the Closing Date with GE and its Affiliates (including the Business Subsidiaries), or any of their respective predecessors, in addition to service earned with Purchaser and its Affiliates on or after the Closing Date, (i) to the extent that service is relevant for purposes of eligibility, vesting or the calculation of vacation, sick days, severance, layoff and similar benefits (but not for purposes of defined benefit pension benefit accruals) under any retirement or other employee benefit plan, program or arrangement of Purchaser or any of its Affiliates for the benefit of the Transferred Employees on or after the Closing Date and (ii) for such additional purposes as may be required by applicable Law; provided that nothing herein shall result in a duplication of benefits with respect to the Transferred Employees.

(h) *Pre-existing Conditions; Coordination* . Purchaser shall, and shall cause its Affiliates to, waive limitations on benefits relating to any pre-existing conditions of the Transferred Employees and their eligible spouses and dependents. Purchaser shall, and shall cause its Affiliates to, recognize for purposes of annual deductible and out-of-pocket limits under their health plans applicable to Transferred Employees, deductible and out-of-pocket expenses

paid by Transferred Employees and their respective spouses and dependents under GE ' s or any of its Affiliates ' health plans in the 2015 calendar year

SectionVI.2. U.S. Parent Plans .

(a) *No Assumption or Transfer of U.S. Parent Plans* . Except as otherwise specifically provided in the Agreement, Purchaser and its Affiliates shall not assume any obligations under or Liabilities with respect to, or receive any right or interest in any trusts relating to, any assets of or any insurance, administration or other contracts pertaining to any of the Employee Plans which are sponsored or maintained by GE or its Affiliates (excluding the Business Subsidiaries) (" Parent Plan ") principally for GE employees employed in the United States (" U.S. Parent Plans ").

(a) *Participation in U.S. Parent Plans* . Except as otherwise specifically provided in the Agreement, all Product Employees will cease, effective as of the Closing Date, any participation in and any benefit accrual under each of the U.S. Parent Plans. GE and the Business Subsidiaries, and their respective Affiliates, shall take all necessary actions to effect such cessation of Product Employees under the U.S. Parent Plans. Notwithstanding the first sentence of this Section 6.02(a) , Product Employees may continue after the Closing Date to participate in accordance with, and subject to, their eligibility under the terms of the applicable U.S. Parent Plans as in effect from time to time as follows:

(i) Inactive Product Employees covered by a U.S. Parent Plan immediately prior to the Closing Date may continue to participate in such plan in accordance with this Section 6.02(a) until the earlier of the date of such employee ' s commencement of or return to active employment with Purchaser or its Affiliates, if applicable, or, the date such employee ceases to be eligible for such coverage;

(ii) Product Employees may continue participation under the U.S. Parent Plans which provide health, disability, severance, worker ' s compensation, life insurance or similar benefits with respect to claims incurred by the Product Employees and their eligible spouses, dependents or qualified beneficiaries, as applicable, on or prior to the Closing Date;

(iii) Product Employees shall continue participation under the U.S. Parent Plans which are pension plans with respect to vested, accrued benefits as of the Closing Date;

(iv) Product Employees shall continue participation under the U.S. Parent Plans with respect to outstanding stock options or other equity awards; and

(v) Eligible Product Employees may elect to participate, as provided in Section 6.02(d) below, in post-retirement coverage under the GE Life, Disability and Medical Plan as in effect from time to time.

(b) *Certain Retirement Plans* . As of the Closing Date, the Transferred Employees shall cease to accrue benefits, if any, under the GE Pension Plan (the " GEPP ") and the GE Retirement Savings Program (the " GERSP "), and the Business Subsidiaries shall cease to be

participating employers in such plans. Effective as of the Closing Date, GE or the Business Subsidiaries, as the case may be, shall take all necessary action, if any, to (i) effect such cessation of participation, (ii) cause the regular pensions, if any, under the GEPP and the account balances, if any, under the GERSP with respect to the Transferred Employees to become fully vested as of the Closing Date. No assets or Liabilities with respect to the GEPP, the GERSP shall be transferred to Purchaser or its Affiliates. GE shall pay directly to the Transferred Employees (including their surviving spouses and beneficiaries, if applicable) any vested benefits to which they are entitled under the GEPP and the GERSP when eligible under the terms of such plans to receive such payments. For purposes of this Section 6.02(b) , in the case of a Transferred Employee who transfers employment to Purchaser or its Affiliates after the Closing Date, the date of such transfer shall be substituted for the term " Closing Date " wherever such term appears herein.

(c) *COBRA* . Following the Closing Date, Purchaser shall, or shall cause its Affiliates to, assume all obligations to provide continuation health care coverage in accordance with Section 4980B of the Code and Title I, Subtitle B, Part 6 of ERISA (" COBRA ") to all U.S. Transferred Employees, and their qualified beneficiaries, who incur or incurred a qualifying event at any time, including all obligations with respect to all health claims incurred on or after the Closing Date.

(d) *Post-Transfer GE Health and Welfare Benefits* . GE and its Affiliates shall retain any obligations they may have to provide post-retirement welfare benefits in accordance with the terms of the GE Life, Disability and Medical Plan, as in effect from time to time, to all former employees of the Business (and their eligible spouses and dependents) who are receiving such benefits as of the Closing Date.

(e) *GE FSA Plans* . With respect to any Transferred Employee who immediately prior to the Closing Date was a participant in a health or dependent care flexible spending account plan maintained by GE or one of its Affiliates (collectively, the " GE FSA Plans "): (i) if Purchaser or one of its Affiliates maintains a general purpose health flexible spending account plan (a " GPHFSA Plan "), Purchaser shall, or shall cause one of its Affiliates to, affect an FSA Transfer (as defined below) of the Transferred Employee ' s account (if any) under the GE GPHFSA Plan to the GPHFSA Plan of Purchaser or one of its Affiliates; (ii) if Purchaser or one of its Affiliates maintains a limited purpose health flexible spending account plan (a " LPHFSA Plan "), Purchaser shall, or shall cause one of its Affiliates to, affect an FSA Transfer of the Transferred Employee ' s account (if any) under the GE LPHFSA Plan to the LPHFSA Plan of Purchaser or one of its Affiliates; and (iii) if Purchaser or one of its Affiliates maintains a dependent care flexible spending account plan (a " DCFSA Plan "), Purchaser shall, or shall cause one of its Affiliates to, affect an FSA Transfer of the Transferred Employee ' s account (if any) under the GE DCFSA Plan to the DCFSA Plan of Purchaser or one of its Affiliates. For purposes of this Section 6.02(e) , an " FSA Transfer " involves Purchaser or one of its Affiliates (i) effectuating the election of the Transferred Employee in effect under the applicable GE FSA Plans immediately prior to the Closing Date and (ii) assuming responsibility for administering and paying under the applicable plans of Purchaser or one of its Affiliates all eligible reimbursement claims of the Transferred Employee incurred in the 2015 calendar year that are submitted for payment on or after the Closing Date, whether such claims arose before, on or after the Closing Date. As soon as practicable following the Closing Date, GE shall cause to be transferred to

Purchaser an amount in cash equal to (i) the sum of all contributions to the applicable GE FSA Plans made with respect to the 2015 calendar year by or on behalf of the Transferred Employee prior to the Closing Date, reduced by (ii) the sum of all claims incurred by the Transferred Employee under the applicable GE FSA Plans in the 2015 calendar year that are submitted for payment prior to the Closing Date.

Section.1. Prohibited Activities .

(a) GE Power & Water ' s reciprocating gas engines business (including Jenbacher and Waukesha engines businesses) (" Recips ") agrees that for a period of three (3) years following the Closing, Recips shall not:

(i) engage, directly or as a shareholder, owner, partner, joint venturer, or in a managerial capacity, whether as a principal, independent contractor, consultant or advisor, or as a distributor or sales representative, in any business selling any products with an ISO-rated waste heat generator power output of less than 1.0 Megawatt or related services in direct competition with the Product anywhere in the world (the " Territory ");

(ii) call upon any Person who is, at that time, within the Territory, an employee of Purchaser, its Affiliates or any subsidiary of Purchaser or of its Affiliates in a managerial capacity for the purpose or with the intent of enticing such employee away from or out of the employ of Purchaser, its Affiliates or such subsidiary provided, however, that the placing of a public advertisement relating to a post, or a bona fide general recruitment campaign not specifically directed at any Person who is an employee of Purchaser or its Affiliates, and any subsequent contact between the Seller and any Person responding to such public advertisement or recruitment campaign, shall not constitute a breach of this clause (ii);

(iii) disclose customers, whether in existence or proposed, of the Product to any Person for use in selling products or services in competition with the Product.

(b) Notwithstanding the provisions of Section 6.03(a) and without implicitly agreeing that the following activities would be subject to the provisions of Section 6.03(a) , nothing in this Agreement shall preclude, prohibit or restrict GE or any of its Affiliates from engaging in any manner in any (i) Financial Services Business, (ii) De Minimis Business or (iii) business activity that would otherwise violate Section 6.03(a) if undertaken directly by GE or any of its Affiliates (" Covered Business Activity ") that is acquired from any Person (an " After-Acquired Business ") or is carried on by any Person that is acquired by or combined with GE or any of its Affiliates, in each case after the Closing Date (an " After-Acquired Company "); provided, that GE or any of its Affiliates may purchase and acquire an After-Acquired Business or After-Acquired Company if the primary purpose in making such acquisition is not to exploit for profit such Covered Business Activity, and provided, further, that with respect to clause (iii)

above, so long as, (A) within eighteen (18) months after the consummation of the purchase or other acquisition of the After-Acquired Business or the After-Acquired Company, GE or such Affiliate disposes of the After-Acquired Business or the relevant portion of the business or securities of the After-Acquired Business or the After-Acquired Company that conducts Covered Business Activity or (B) at the expiration of the eighteen-month (18-month) period, the business of the After-Acquired Business or the After-Acquired Company ceases to conduct Covered Business Activity or is and thereafter continues to be a De Minimis Business.

(c) This Section 6.03 shall cease to be applicable to any Person at such time it is no longer a Subsidiary of GE and shall not apply to any Person that purchases assets, operations or a business from GE or one of its Subsidiaries, if such Person is not a Subsidiary of GE after such transaction is consummated. This Section 6.03 does not apply to any Subsidiary of GE in which a Person who is not an Affiliate of GE as of the date of this Agreement holds equity interests and with respect to whom GE or another Subsidiary, as applicable, and as of the date of this Agreement GE or any Subsidiary of GE has existing contractual or legal obligations (including fiduciary duties of representatives on the board of directors or similar body of such Subsidiary) that limit GE ' s ability to impose on the subject Subsidiary a non-competition obligation such as that in this Section 6.03 .

(d) In order that Purchaser may have and enjoy the full benefit of the Purchased Assets, GE and Seller agree that they and their Affiliates will not use or permit any Person under their control to use the names appearing on Section 6.03(d) of the Disclosure Schedules in any manner whatsoever in connection with any business which could be considered in direct or indirect competition with the Product, including the use of such names in promotional materials.

(e) Because of the difficulty of measuring economic losses to Purchaser and its Affiliates as a result of any breach of the covenants in this Section 6.03 , and because of the immediate and irreparable damage that would be caused to Purchaser for which it would have no other adequate remedy, GE and Seller agree that, in the event of a breach by GE or Seller of the foregoing covenant, the covenant may be enforced by Purchaser or its Affiliates by injunctions and restraining orders.

(f) It is agreed by the parties that the foregoing covenants in this Section 6.03 impose a reasonable restraint on GE, Seller and their Affiliates in light of the activities and assets of the Business being acquired by Purchaser on the Closing Date and the current and future plans of Purchaser with respect to the Purchased Assets.

(g) The covenants in this Section 6.03 are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. Moreover, in the event any court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent which the court deems reasonable, and the Agreement shall thereby be reformed.

(h) All of the covenants in this Section 6.03 shall be construed as an agreement independent of any other provision of this Section 6.03, and the existence of any claim

or cause of action of Seller against Purchaser other than a claim for nonpayment under the Promissory Note, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement of the covenants in this Section 6.03.

(i) The Seller on behalf of itself and Recips, hereby agrees that the covenants set forth in this Section 6.03 are a material and substantial part of the transactions contemplated by this Agreement, supported by adequate consideration.

Section.2. Impermissibility; Good Faith . In the event that any provision hereof is not permissible under any Law or practice, the parties agree that they shall in good faith take such actions as are permissible under such Law or practice to carry out to the fullest extent possible the purposes of such provision.

Section.3. Cooperation and Assistance .

(a) *Mutual Cooperation by GE and the Purchaser* . After the Closing Date, Seller, GE and Purchaser shall, and each shall cause its Affiliates to, cooperate with the other party and its Affiliates, to provide such current information regarding the Product Employees or former employees of the Business on an ongoing basis as may be necessary to facilitate determinations of eligibility for, and payments of benefits to, such employees (and their spouses and dependents, as applicable) under the Parent Plans.

(b) *Claims Assistance* . Purchaser shall, and shall cause its Affiliates to, permit Transferred Employees to provide such assistance to GE and its Affiliates as may be required in respect of claims against GE or its Affiliates, whether asserted or threatened, to the extent that, in GE's opinion, (a) a Transferred Employee has knowledge of relevant facts or issues, or (b) a Transferred Employee's assistance is reasonably necessary in respect of any such claim.

(c) *Consultation with Employee Representative Bodies* . The parties hereto shall, and shall cause their respective Affiliates to, mutually cooperate in undertaking all reasonably necessary or legally required provision of information to, or consultations, discussions or negotiations with, employee representative bodies (including any unions or works councils) which represent employees affected by the transactions contemplated by this Agreement.

Section.4. Employee Data Protection .

(a) " GE Personal Data " includes any information relating to an identified or identifiable natural person that (i) is obtained by Purchaser or its Affiliates from GE or any of its Affiliates or representatives, (ii) is processed by Purchaser or its Affiliates on behalf of GE or its Affiliates, (iii) pertains to the personnel of GE or its Affiliates, or (iv) is created by Purchaser or its Affiliates based on (i), (ii), or (iii) above.

(b) Purchaser shall, and shall cause its Affiliates to, comply with all applicable Laws regarding the maintenance, use, sharing and processing of GE Personal Data, including (i) compliance with any applicable requirements to provide notice to, or obtain consent from, the data subject for processing of the data after the Closing Date, and (ii) taking any other steps necessary to ensure compliance with local data protection Laws, including the execution of

any separate agreements with GE or its Affiliates to facilitate the lawful processing of certain GE Personal Data (such agreements to be executed before or after the Closing Date, as necessary).

Purchaser shall, and shall cause its Affiliates to, share and otherwise process GE Personal Data only on a need-to-know basis, only as legally permitted and only to the extent necessary to perform its obligations under the Transaction Agreements or GE ' s or its Affiliates further written instructions. Purchaser and its Affiliates shall use reasonable, technical and organizational measures to ensure the security and confidentiality of GE Personal Data in order to prevent, among other things, accidental, unauthorized or unlawful destruction, modification, disclosure, access or loss. Purchaser agrees that, before the Closing Date, neither it nor its Affiliates shall disclose any GE Personal Data to third parties without the express written approval of GE or its Affiliates, unless required by applicable Law. Purchaser or one of its Affiliates shall immediately inform GE or one of its Affiliates of any breach of this security and confidentiality undertaking, unless prohibited from doing so by applicable Law.

Article I INDEMNIFICATION

SectionI.1. Indemnification by Seller .

(a) From and after the Closing, and subject to Section 7.01(b) , Section 7.02 , Section 7.05 , Section 7.06 , Section 7.07 , Section 7.08 and Section 8.01 , Seller shall indemnify, defend and hold harmless Purchaser and its Affiliates and Representatives (collectively, the " Purchaser Indemnified Parties ") against, and reimburse any Purchaser Indemnified Party for, all Losses that such Purchaser Indemnified Party may suffer or incur, or become subject to, as a result of:

(i) any breach of any warranty or the inaccuracy of any representation of Seller contained or referred to in this Agreement or any certificate delivered by or on behalf of Seller pursuant hereto;

(ii) any breach or failure by Seller to perform any of its covenants or obligations contained in this Agreement to be performed after the Closing;

(iii) any actual direct out of pocket costs of the type described in Section 2.01(c)(v) ; or

(iv) any Excluded Liability.

(b) Notwithstanding any other provision of this Agreement to the contrary: (i) Seller shall not be required to indemnify, defend or hold harmless any Purchaser Indemnified Party against, or reimburse any Purchaser Indemnified Party for, any Losses pursuant to Section 7.01(a)(i) , Section 7.01(a)(ii) or Section 7.01(a)(iii) until the aggregate amount of Purchaser Indemnified Parties ' Losses (other than Losses with respect to representations and warranties made in Sections 3.01 , 3.03 , 3.07 and 3.13 which shall not be subject to such deductible) exceeds $50,000 (the " Deductible Amount "), after which Seller shall only be obligated for such aggregate Losses of Purchaser Indemnified Parties in excess of the Deductible

Amount; (ii) the cumulative indemnification obligation of Seller under Section 7.01(a)(i) and Section 7.01(a)(ii) (other than the indemnification obligation of Seller with respect to representations and warranties made in Section 3.01 , Section 3.03 , Section 3.07 , and Section 3.13) shall in no event exceed $150,000; and (iii) the cumulative indemnification obligation of Seller under Section 7.01(a)(i), Section 7.01(a)(ii) and Section 7.01(a)(iii) shall in no event exceed the aggregate amount of net proceeds actually received by Seller pursuant to this Agreement and the Promissory Note. Notwithstanding anything in this Agreement to the contrary, in no event shall Seller be obligated to make any payment to Purchaser under this Article VII unless and until such time as the Promissory Note has been paid in full.

SectionI.2. Indemnification by Purchaser .

(a) From and after the Closing, and subject to Section 7.02(b) , Section 7.04 , Section 7.05 , Section 7.07 and Section 8.01 , Purchaser shall indemnify, defend and hold harmless Seller and its Affiliates and Representatives (collectively, the " Seller Indemnified Parties ") against, and reimburse any Seller Indemnified Party for, all Losses that such Seller Indemnified Party may suffer or incur, or become subject to, as a result of:

(i) any breach of any warranty or the inaccuracy of any representation of Purchaser contained or referred to in this Agreement or any certificate delivered by or on behalf of Purchaser pursuant hereto;

(ii) any breach or failure by Purchaser to perform any of its covenants or obligations contained in this Agreement to be performed after the Closing;

(iii) any claim or cause of action by any Person against any Seller Indemnified Party with respect to the transfer, ownership, operation or use of the Purchased Assets or Assumed Liabilities or the operations of the Business arising on or after the Closing Date (including all actions of Purchaser with respect thereto) other than any such claim or cause of action which would constitute an Excluded Liability or for which Seller would otherwise be required to indemnify Purchaser pursuant to Section 7.01(a) (after giving effect to the provisions of Section 7.01(b)); or

(iv) any Assumed Liability.

(b) Notwithstanding any other provision of this Agreement to the contrary: (i) Purchaser shall not be required to indemnify, defend or hold harmless any Seller Indemnified Party against, or reimburse any Seller Indemnified Party for, any Losses pursuant to Section 7.02(a)(i) and Section 7.02(a)(ii) until the aggregate amount of Seller Indemnified Parties ' Losses exceeds the Deductible Amount, after which Purchaser shall only be obligated for such aggregate Losses of Seller Indemnified Parties in excess of the Deductible Amount; and (ii) the cumulative indemnification obligation of Purchaser under Section 7.02(a)(i) shall in no event exceed $150,000.

SectionI.3.

Notification of Claims .

(a) A Person that may be entitled to be indemnified under this Article VII (the " Indemnified Party "), shall promptly notify the party or parties liable for such indemnification (the " Indemnifying Party ") in writing of any pending or threatened claim, demand or circumstance that the Indemnified Party has determined has given or would reasonably be expected to give rise to a right of indemnification under this Agreement (including a pending or threatened claim or demand asserted by a third party against the Indemnified Party, such claim being a " Third Party Claim "), describing in reasonable detail the facts and circumstances with respect to the subject matter of such claim, demand or circumstance (including the amount or estimated amount (to the extent reasonably estimable) of Losses arising out of such Third Party Claim); provided , however , that the failure to provide such notice shall not release the Indemnifying Party from any of its obligations under this Article VII except to the extent the Indemnifying Party is prejudiced by such failure, it being understood that notices for claims in respect of a breach of a representation, warranty, covenant or agreement must be delivered prior to the expiration of any applicable survival period specified in Section 8.01 for such representation, warranty, covenant or agreement.

(b) Upon receipt of a notice of a claim for indemnity from an Indemnified Party pursuant to Section 7.03(a) , with respect to any Third Party Claim, the Indemnifying Party shall have the right (but not the obligation) to assume the defense and control of any Third Party Claim and, in the event that the Indemnifying Party assumes the defense and control of such claim, it shall allow the Indemnified Party a reasonable opportunity to participate in the defense of such Third Party Claim with its own counsel and at its own expense. The party that shall control the defense of any such Third Party Claim (the " Controlling Party ") shall select counsel, contractors and consultants of recognized standing and competence after consultation with the other party and shall take all steps reasonably necessary in the defense or settlement of such Third Party Claim.

(c) Seller or Purchaser, as the case may be, shall, and shall cause each of its Affiliates and Representatives to, cooperate fully with the Controlling Party in the defense of any Third Party Claim. The Indemnifying Party shall be authorized to consent to a settlement of, or the entry of any judgment arising from, any Third Party Claim, without the consent of any Indemnified Party; provided , that the Indemnifying Party shall (i) pay or cause to be paid all amounts arising out of such settlement or judgment concurrently with the effectiveness of such settlement (subject to Section 7.01(b) and Section 7.02(b) , if applicable), (ii) not encumber any of the material assets of any Indemnified Party or agree to any restriction or condition that would apply to or materially adversely affect any Indemnified Party or the conduct of any Indemnified Party ' s business and (iii) obtain, as a condition of any settlement or other resolution, a complete release of any Indemnified Party potentially affected by such Third Party Claim.

SectionI.4. Exclusive Remedies . Other than with respect to any equitable remedies contemplated by Section 6.03(e) or Section 8.13 , Seller and Purchaser acknowledge and agree that the indemnification provisions of Section 7.01 and Section 7.02 shall be the sole and exclusive remedies of any Seller Indemnified Party and any Purchaser Indemnified Party, respectively, for any Losses (including any Losses from claims for breach of contract, warranty, tortious conduct (including negligence) or otherwise and whether predicated on common law,

statute, strict liability, or otherwise) that it may at any time suffer or incur, or become subject to, as a result of, or in connection with, the Business, the Purchased Assets, any breach of any representation or warranty in this Agreement by Purchaser or Seller, respectively, or any failure by Purchaser or Seller, respectively, to perform or comply with any covenant or agreement set forth herein. Without limiting the generality of the foregoing, Seller and Purchaser hereby irrevocably waive any right of rescission they may otherwise have or to which they may become entitled.

SectionI.5. Additional Indemnification Provisions .

(a) With respect to each indemnification obligation contained in this Article VII (i) all Losses shall be net of any third-party insurance proceeds that have been recovered or are recoverable by the Indemnified Party in connection with the facts giving rise to the right of indemnification, (ii) no representation or warranty of Seller shall be deemed untrue or incorrect as a consequence of the existence of any fact, circumstance or event that is (A) disclosed in connection with another representation or warranty contained in this Agreement or (B) otherwise known to Purchaser on the Closing Date and (iii) Seller shall have no liability to indemnify any Purchaser Indemnified Party with respect to any Losses caused by or resulting from any action (A) that Seller is required, permitted or requested to take pursuant to this Agreement (including with the consent of Purchaser) or (B) that Seller, having sought Purchaser ' s consent pursuant to this Agreement, did not take as a result of Purchaser having withheld or delayed the requested consent.

(b) If an Indemnifying Party makes any payment for any Losses suffered or incurred by an Indemnified Party pursuant to the provisions of this Article VII , such Indemnifying Party shall be subrogated, to the extent of such payment, to all rights and remedies of the Indemnified Party to any insurance benefits or other claims of the Indemnified Party with respect to such Losses and with respect to the claim giving rise to such Losses.

(c) Purchaser and Seller agree that, for purposes of computing the amount of any indemnification payment under this Article VII , any such indemnification payment shall be treated as an adjustment to the Purchase Price for all Tax purposes.

(d) If Seller is required to indemnify a Purchaser Indemnified Party pursuant to the provisions of this Article VII , and the Losses for which the indemnification is sought under this Article VII has provided, or will provide, any Purchaser Indemnified Party with a Tax benefit, Purchaser shall use its best efforts to obtain (or cause such Purchaser Indemnified Party to obtain) such Tax benefit (including, if necessary, the filing of amended Tax Returns) and the amount of such Tax benefit that has been, or will be, realized (or in the event that amended Tax Returns are not filed, the amount of Tax benefit that the Purchaser Indemnified Party would have realized) shall reduce Seller ' s liability to indemnify a Purchaser Indemnified Party under this Article VII (assuming, for these purposes, that the Purchaser Indemnified Party is subject to taxation at the highest applicable marginal income tax rate).

SectionI.6. Mitigation . Each of the parties shall, and shall cause its applicable Affiliates and Representatives to, take all reasonable steps to mitigate their respective Losses upon and after becoming aware of any event or condition that would reasonably be expected to give rise to any Losses that are indemnifiable hereunder.

SectionI.7.

Third Party Remedies . If any Purchaser Indemnified Party is at any time entitled (whether by reason of a contractual right, a right to take or bring an Action, availability of insurance, or a right to require a payment discount or otherwise) to recover from another Person any amount in respect of any matter giving rise to a Loss (whether before or after Seller has made a payment to a Purchaser Indemnified Party hereunder and in respect thereof), Purchaser shall (and shall cause its applicable Affiliates and Representatives to) (i) promptly notify Seller and provide such information as Seller may require relating to such right of recovery and the steps taken or to be taken by Purchaser in connection therewith, (ii) if so required by Seller (subject to Purchaser being indemnified to its reasonable satisfaction by Seller against all reasonable out-of-pocket costs and expenses incurred by Purchaser in respect thereof) and before being entitled to recover any amount from Seller under this Agreement, first take all steps (whether by making a claim against its insurers, commencement of an Action or otherwise) as Seller may reasonably require to pursue such recovery, and (iii) keep Seller fully informed of the progress of any action taken in respect thereof. Thereafter, any claim against Seller shall be limited (in addition to the limitations on the liability of Seller referred to in this Agreement) to the amount by which the Losses suffered by Purchaser Indemnified Party exceed the amounts so recovered by Purchaser Indemnified Party or any Affiliate of Purchaser. If Purchaser Indemnified Parties recover any amounts in respect of Losses from any third party at any time after Seller has paid all or a portion of such Losses to Purchaser Indemnified Parties pursuant to the provisions of this Article VII , Purchaser shall, or shall cause such Purchaser Indemnified Parties to promptly (and in any event within two (2) Business Days of receipt) pay over to Seller the amount so received (to the extent previously paid by Seller).

SectionI.8. Limitation on Liability . In no event shall any party have any liability to any other party (including under this Article VII) for any consequential, special, incidental, indirect or punitive damages, lost profits or similar items (including loss of revenue, income or profits, diminution of value or loss of business reputation or opportunity relating to a breach or alleged breach hereof).

Article II GENERAL PROVISIONS

SectionII.1. Survival . The representations and warranties of Seller and Purchaser contained in or made pursuant to this Agreement (other than Section 3.04 , which shall not survive the Closing) shall survive in full force and effect until the date that is twelve months after the Closing Date, at which time they shall terminate (and no claims shall be made for indemnification under Section 7.01 or Section 7.02 thereafter); provided , however , that the representations and warranties made in Section 3.01 , Section 3.03 , Section 4.01 , Section 4.02 , Section 4.04 , Section 4.07 and Section 4.08 shall survive in full force and effect until the fifth (5 th) anniversary of the Closing Date, at which time they shall terminate (and no claims shall be made for indemnification under Section 7.01 or Section 7.02 thereafter); provided , further , that the covenants and agreements set forth in this Agreement shall survive for the period provided in such covenants and agreements, if any, or until fully performed.

SectionII.2. Expenses . Except as may be otherwise specified in the Transaction Agreements, all costs and expenses, including fees and disbursements of counsel, financial

advisers and accountants, incurred in connection with the Transaction Agreements and the transactions contemplated by the Transaction Agreements shall be paid by the Person incurring such costs and expenses.

SectionII.3. Notices . All notices, requests, claims, demands and other communications under the Transaction Agreements shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile with receipt confirmed (followed by delivery of an original via overnight courier service), by email (so long as confirmation of receipt of such email is requested and received) or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.03):

if to Seller:

GEII c/o GE Distributed Power
4200 Wildwood Parkway
Atlanta, GA 30339
Attention: M&A Legal, Project Heat
Email: Energy.LegalMandA@ge.com
Facsimile: +1-949-260-2617

if to GE:

GE Distributed Power
4200 Wildwood Parkway
Atlanta, GA 30339
Attention: M&A Legal, Project Heat
Email: Energy.LegalMandA@ge.com
Facsimile: +1-949-260-2617

if to Purchaser:

Clean Energy HRS _____
LLC150 Baker StreetCosta Mesa, CA
92626Attention:
PresidentEmail:_____Facsimile:
with a copy (which shall not constitute notice) to:

Richardson & Maloney LLP2321 Rosecrans Avenue, Suite 3225El
Segundo, CA 90245Attention: T.R.
MaloneyEmail:tm@RichardsonMaloney.comFacsimile: +1-424-238-2162

SectionII.4. Public Announcements . No party to this Agreement or any Affiliate or Representative of such party shall issue or cause the publication of any press release or public announcement or otherwise communicate with any news media in respect of this Agreement or the transactions contemplated by this Agreement without the prior written consent of the other parties (which consent shall not be unreasonably withheld, conditioned or delayed), except as may be required by Law or stock exchange rules, in which case the party required to publish such press release or public announcement shall allow the other parties a reasonable opportunity to comment on such press release or public announcement in advance of such publication, to the extent practicable.

SectionII.5. Severability . If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

SectionII.6. Entire Agreement . The Transaction Agreements constitute the entire agreement of Seller and/or its Affiliates, on the one hand, and Purchaser and/or its Affiliates, on the other hand, with respect to the subject matter of the Transaction Agreements and supersede all prior agreements, undertakings and understandings, both written and oral, other than the Confidentiality Agreement to the extent not in conflict with this Agreement, between or on behalf of Seller and/or its Affiliates, on the one hand, and Purchaser and/or its Affiliates, on the other hand, with respect to the subject matter of the Transaction Agreements.

SectionII.7.

Assignment . This Agreement shall not be assigned by operation of Law or otherwise without the prior written consent of the other parties hereto. Any attempted assignment in violation of this Section 8.07 shall be void. This Agreement shall be binding upon, shall inure to the benefit of, and shall be enforceable by the parties hereto and their successors and permitted assigns.

SectionII.8. No Third-Party Beneficiaries . Except as provided in Article VII with respect to Seller Indemnified Parties and Purchaser Indemnified Parties, this Agreement is for the sole benefit of the parties to this Agreement and their permitted successors and assigns and nothing in this Agreement or any other Transaction Agreement, express or implied, is intended to or shall confer upon any other Person, including any employee or former employee of Seller or the Business, or entity any legal or equitable right, benefit or remedy of any nature whatsoever, including any rights of employment for any specified period, under or by reason of this Agreement; provided , however , that GE is an express third-party beneficiary of this Agreement.

SectionII.9. Amendment . No provision of this Agreement or any other Transaction Agreement, including any Exhibits or Schedules hereto or thereto, may be amended, supplemented or modified except by a written instrument making specific reference hereto or thereto signed by all the parties to such agreement. No consent from any Indemnified Party under Article VII (other than the parties to this Agreement) shall be required in order to amend this Agreement.

SectionII.10. Disclosure Schedules . Any disclosure with respect to a Section or Schedule of this Agreement shall be deemed to be disclosed for other Sections or Schedules of this Agreement to the extent that such disclosure is reasonably sufficient so that the relevance of such disclosure would be reasonably apparent to a reader of such disclosure. Matters reflected in any Section or Schedule of this Agreement are not necessarily limited to matters required by this Agreement to be so reflected. Such additional matters are set forth for informational purposes and do not necessarily include other matters of a similar nature. No reference to or disclosure of any item or other matter in any Section or Schedule of this Agreement shall be construed as an admission or indication that such item or other matter is material or that such item or other matter is required to be referred to or disclosed in this Agreement. Without limiting the foregoing, no such reference to or disclosure of a possible breach or violation of any Contract, Law or Governmental Order shall be construed as an admission or indication that breach or violation exists or has actually occurred.

SectionII.11. Governing Law; Submission to Jurisdiction .

(a) THIS AGREEMENT (AND ANY CLAIMS, CAUSES OF ACTION OR DISPUTES THAT MAY BE BASED UPON, ARISE OUT OF OR RELATE HERETO, TO THE TRANSACTIONS CONTEMPLATED HEREBY, TO THE NEGOTIATION, EXECUTION OR PERFORMANCE HEREOF, OR TO THE INDUCEMENT OF ANY PARTY TO ENTER HEREIN, WHETHER FOR BREACH OF CONTRACT, TORTIOUS CONDUCT OR OTHERWISE AND WHETHER PREDICATED ON COMMON LAW, STATUTE OR OTHERWISE) SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, IN EACH CASE

WITHOUT REFERENCE TO ANY CONFLICT OF LAW RULES THAT MIGHT LEAD TO THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

(b) Each of the parties hereto agrees that any claims, causes of action or disputes that may be based upon, arise out of or relate to this Agreement or any Ancillary Agreement, to the transactions contemplated hereby or thereby, to the negotiation, execution or performance hereof or thereof, or to the inducement of any party to enter herein or therein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise, shall be resolved only in the Courts of the State of Delaware sitting in the County of New Castle or the United States District Court for the District of Delaware and the appellate courts having jurisdiction of appeals from such courts (the " Delaware Courts "). In that context, and without limiting the generality of the foregoing, each party irrevocably and unconditionally:

(i) submits for itself and its property in any Action relating to this Agreement or any Ancillary Agreement to the exclusive jurisdiction of the Delaware Courts, and agrees that all claims in respect of any such Action shall be heard and determined in the Delaware Courts;

(ii) consents that any such Action may and shall be brought in the Delaware Courts and waives any objection that it may now or hereafter have to the venue or jurisdiction of any such Action in the Delaware Courts or that such Action was brought in an inconvenient court and agrees not to plead or claim the same;

(iii) agrees that notwithstanding the foregoing, any party hereto may commence an action, suit or proceeding with any Governmental Authority anywhere in the world for the sole purpose of seeking recognition and enforcement of a judgment of any Delaware Court;

(iv) agrees that service of process in any such Action may be effected by mailing a copy of such process by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at its address as provided in Section 8.03 ; and

(v) agrees that nothing in this Agreement or any Ancillary Agreement shall affect the right to effect service of process in any other manner permitted by the Laws of the State of Delaware.

SectionII.12. Bulk Sales Laws . Purchaser and Seller each hereby waive compliance by Seller with the provisions of the " bulk sales " , " bulk transfer " or similar Laws of any state or any jurisdiction outside the United States that may otherwise be applicable with respect to the sale of any of the Purchased Assets.

SectionII.13. Specific Performance . Each party acknowledges and agrees that the breach of this Agreement would cause irreparable damage to the other parties hereto and that no party will have an adequate remedy at law. Therefore, the obligations of GE under this Agreement, the obligations of Seller under this Agreement, including Seller ' s obligation to sell the

Purchased Assets to Purchaser, and the obligations of Purchaser under this Agreement, including Purchaser ' s obligation to purchase and acquire the Purchased Assets from Seller, shall be enforceable by a decree of specific performance issued by any court of competent jurisdiction, and appropriate injunctive relief may be applied for and granted in connection therewith. Such remedies shall, however, be cumulative and not exclusive and shall be in addition to any other remedies which any party may have under this Agreement or otherwise. Each of the parties hereto expressly disclaims that it is owed any duties not expressly set forth in this Agreement, and waives and releases any and all tort claims and causes of action that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement.

SectionII.14. Rules of Construction . Interpretation of the Transaction Agreements (except as specifically provided in any such agreement, in which case such specified rules of construction shall govern with respect to such agreement) shall be governed by the following rules of construction: (a) words in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include the other gender as the context requires; (b) references to the terms Article, Section, paragraph, Exhibit and Schedule are references to the Articles, Sections, paragraphs, Exhibits and Schedules to this Agreement unless otherwise specified; (c) the terms " hereof, " " herein, " " hereby, " " hereto, " and derivative or similar words refer to this entire Agreement, including the Disclosure Schedules and Exhibits hereto; (d) references to " $ " shall mean U.S. dollars; (e) the word " including " and words of similar import when used in the Transaction Agreements shall mean " including without limitation, " unless otherwise specified; (f) the word " or " shall not be exclusive; (g) references to " written " or " in writing " include in electronic form; (h) provisions shall apply, when appropriate, to successive events and transactions; (i) the headings contained in the Transaction Agreements are for reference purposes only and shall not affect in any way the meaning or interpretation of the Transaction Agreements; (j) the parties thereto have each participated in the negotiation and drafting of the Transaction Agreements and if an ambiguity or question of interpretation should arise, the Transaction Agreements shall be construed as if drafted jointly by the parties thereto and no presumption or burden of proof shall arise favoring or burdening any party by virtue of the authorship of any of the provisions in any of the Transaction Agreements; (k) a reference to any Person includes such Person ' s successors and permitted assigns; (l) any reference to " days " means calendar days unless Business Days are expressly specified; (m) when calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded and if the last day of such period is not a Business Day, the period shall end on the next succeeding Business Day; and (n) an item arising with respect to a specific representation or warranty shall be deemed to be " reflected on " or " set forth in " a balance sheet or financial statements, to the extent (i) there is a reserve, accrual or other similar item underlying a number on such balance sheet or financial statement that is related to the subject matter of such representation, (ii) such item is otherwise specifically set forth on the balance sheet or financial statement or (iii) such item is reflected on the balance sheet or financial statement and is specifically referred to in the notes thereto.

SectionII.15. Counterparts . Each of the Transaction Agreements may be executed in counterparts, and by the different parties to each such agreement in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to

any Transaction Agreement by facsimile or .pdf shall be as effective as delivery of a manually executed counterpart of any such Agreement.

SectionII.16. Waiver of Jury Trial . EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, ANY OTHER TRANSACTION AGREEMENTS OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY. EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER TRANSACTION AGREEMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.16 .

SectionII.17. Non-Recourse . No past, present or future director, officer, employee, incorporator, member, partner, stockholder, Affiliate, agent, attorney or representative of Seller or its Affiliates shall have any liability for any Liabilities of Seller under this Agreement or the Ancillary Agreements of or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby and thereby.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

GENERAL ELECTRIC INTERNATIONAL, INC.

By:
Name:
Title:

CLEAN ENERGY HRS LLC

By:
Name:
Title:

Solely with respect to Section 5.03 , Section 5.05 , and Section 5.06 , and Article I , Article VI and Article VIII)

GENERAL ELECTRIC COMPANY

By:
Name:
Title:

TRANSACTION COMPLETION AND FINANCING AGREEMENT

This TRANSACTION COMPLETION AND FINANCING AGREEMENT (the " Agreement "), dated as of September 11, 2015, by and among Probe Manufacturing, Inc., a Nevada corporation (" Parent "), Clean Energy HRS LLC, a California limited liability company and wholly owned subsidiary of Parent (" HRS " and, together with Parent and Parent ' s other subsidiaries, as applicable, the " Company "), and ETI Partners IV LLC, a Delaware limited liability company, in its capacity as collateral agent (the " Collateral Agent "), and the investors listed on the Schedule of Investors attached hereto and as amended from time to time by the Collateral Agent (individually, " Investor " and collectively, " Investors ").

WHEREAS:

A. HRS is concurrently herewith entering into an Asset Purchase Agreement (as amended and in effect from time to time, the " APA ") with General Electric International, Inc., a Delaware corporation (" GEII "), and, for certain purposes, General Electric Company, a New York corporation (" GE ") and, together with GEII, " Sellers "), for the purpose of acquiring Sellers ' assets used or useful in its Heat Recovery Solutions business (the " Acquired Assets "), which designs, manufactures, tests, markets and/or sells Organic Rankine Cycle (" ORC " or " Clean Cycle ")-based heat recovery power systems, including the integrated power module (" IPM ") and all other components, controls, power electronics, software and/or equipment that are included in such systems and provides related services for the ORC heat recovery power system or Clean Cycle generator, which converts waste heat sourced from (i) reciprocating combustion engines, of any type, except those employed on transiting marine vessels, (ii) gas or steam turbine systems for Power Generation applications, where " Power Generation " means the process of creating electricity from any other form of energy, and (iii) Biomass Boiler systems, where " Biomass Boiler " means a device that uses living or recently living biological or organic material as a source of energy as a fuel to heat fluid or as a source of heat (as conducted on the date hereof, the " Business " and the acquisition of such assets is referred to herein as the " Acquisition Transaction "). Substantially all of the physical Acquired Assets are located at a leased facility (the " Facility ") in Costa Mesa, California.

B. The Company is and has been for some time operating at a loss,Parent currently has outstanding indebtedness that is in default and subject to acceleration and the Company has received qualified opinions from its auditors in connection with its annual audits, casting doubt on the Company ' s ability to continue as a going concern. Parent ' s common stock is currently quoted on the OTC Markets Group Inc. ' s OTCPink tier, with a reported 52-week closing price range of from $0.0253 to $0.145 (and currently approximately $0.07), and with extremely limited trading volume, making the public market measure of Parent ' s common equity value unreliable, at best.

C. The Business entails an operating business within GE that has significant intellectual property, existing products, historical sales and significant in-process sales and future sales prospects. The Business, however, has historically and does currently operate at a loss. Parent has determined that completion of the Acquisition Transaction and acquisition by the Company of the Acquired Assets, together with the efficiencies accomplished by integrating the Acquired Assets and opportunities of the Business into Parent ' soperations,willsignificantly enhance the value of the Company, and the Company desires to complete the Acquisition Transaction, acquire theAcquired Assets as soon as is practicable.

D. The Company has determined that it will be necessary for the Company following completion of the Acquisition Transaction to have access to capital to continue to operate. In addition, Sellers have imposed certain requirements on the Company in order to complete the Acquisition Transaction, including that the Company obtain certain funds concurrently with the completion of the Acquisition Transaction and that the Company have a financing plan in place to facilitate additional financing into the Company following completion of the Acquisition Transaction (the " Financial Conditions "). The Company has indicated to the Collateral Agent that the anticipated capital needed to complete the Acquisition Transaction and support the Company ' s initial post-completion year of operations is Five Million Dollars ($5,000,000). The Company has indicated that Five Hundred Thousand Dollars ($500,000)of that amount is required at completion of the Asset Acquisition, with the balance being funded thereafter upon the achievement of performance criteria to be agreed by the Company and investors.

E. The Company has requested the Collateral Agent ' s assistance in satisfying the

E. The Company has requested the Collateral Agent ' s assistance in satisfying the Financial Conditions for the specific purposes of enabling the Company to complete the Acquisition Transaction, helping the Company restructure its current indebtedness,helping the Company acquire needed director, management, marketing, sales and related support and resources and providing a capital resource for the Companyfollowing the completion of the Asset Acquisition as provided above.Parent has proposed that Parent issue to the Collateral Agent a seventy percent (70%) stake in Parent to induce the Collateral Agent to participate with the Company in helping the Company satisfy the Financial Conditions in such a manner that facilitates completion of the Acquisition Transaction and assists the Company in acquiring such other assistance,support, and resources. The Company represents that the Seller ' s Financial Conditions will have been satisfied upon completion of the Acquisition Transaction (acquisition of the Business by HRS) and that there shall be no continuing Seller Financial Conditions following completion of the Acquisition Transaction, enabling the stockholders, directors and management of the Company to determine the optimal financing plan for the Company on a prospective basis.

F. The Company and the Collateral Agent wish by this Agreement both to facilitate the completion of the Acquisition Transaction and also to set forth the framework in which the Company, with the Collateral Agent ' s participation and support as a major stockholder in Parent, may obtain the initial financing required for completion of the Acquisition Transaction and theprospectivefinancing required for anticipated operation of the Company and may obtain additional support and resources needed by the Company following completion of the Acquisition Transaction.

G. Investors, as they may be identified from time to time, will severally and not jointly provide to the Company various loans, investment or other financial accommodation in such forms as are agreed between Investors and the Company (" Financing ") upon the framework set forth in this Agreement and upon the terms and conditions to be set forth in supplemental agreementsand security documents (together with this Agreement, the " Financing Documents "). The Company and the Collateral Agent, on behalf of Investors, agree that any securities to be issued pursuant to the Financing Documents (the " Securities ") are or will be offered and sold in reliance upon the exemption from securities registration afforded by Rule 506 of Regulation D (" Regulation D ") as promulgated by the United States Securities and Exchange Commission (the " SEC ") under Section 4(a)(2) of the Securities Act of 1933, as amended (the " 1933 Act ") or such other exemption from registration or registration process as shall be approved by the Collateral Agent.

H. Contemporaneously with the Closing and thereafter from time to time in connection with the Financing, the parties hereto and thereto will execute and deliver a Registration Rights Agreement in such form as is approved by the Collateral Agent (collectively, the " Registration Rights Agreement "), pursuant to which the Company will agree to provide registration rights under the 1933 Act and the rules and regulations promulgated thereunder, and applicable state securities laws with respect to any Securities.

I. Contemporaneously with the Closing and thereafter from time to time in connection with the Financing, the parties hereto and certain of the Company ' s other Subsidiaries (as defined in Section 3(a)) (the " Guarantors ") will execute and deliver a Loan, Guarantee, and Collateral Agreement in such form as is approved by the Collateral Agent (the " Collateral Agreement " and the guarantees issued thereunder being referred to as the " Guarantees "), pursuant to which (i) the Company and the Guarantors will agree to provide the Collateral Agent, as agent for Investors with security interests in substantially all of the property and assets of the Company and the Guarantors, and first priority security interests in Parent ' s interest in the securities of HRS and in all of the property and assets of HRS and (ii) the Guarantors will agree to guaranty the obligations of the Company, it being expressly understood that certain of the Financing may be provided directly to any constituent or the Company or any other Subsidiaries and that the entity to which such Financing is provided may be the primary obligor and, in respect thereof, any other constituent of the Company and any other Subsidiary may be Guarantors.

J. Contemporaneously with the Closing and thereafter from time to time in connection with the Financing, the parties hereto and the Guarantors will execute and deliver one or more Deposit Account Control Agreements in such form as is approved by the Collateral Agent (the " Account Control Agreements "), pursuant to which the Company enable the Collateral Agent, as agent for

Investors,to perfect the security interest in all of the Company ' s right, title and interest in certain deposit accounts and in all collateral from time to time credited to such accounts.

K. Contemporaneously with the Closing, HRS will issue to Parent and Parent will assign and deliver to the Collateral Agent an inter-company promissory note (the " Inter-Company Note ") made by HRS to Parent and to reflect the obligation of HRS to repay to the holder of the Inter-Company Note any amounts advanced by Parent to HRS, all of which Parent agrees to advance pursuant to such Inter-Company Note. Contemporaneously with the Closing and thereafter from time to time in connection with the Financing any other Subsidiary will issue a similar promissory note to Parent (or such Subsidiary ' s direct parent company), pursuant to which all advances by Parent to such Subsidiary will be made and which notes will be similarly assigned and delivered to the Collateral Agent. The documents referenced in this paragraph K and in paragraphs H to J above are all part of the Financing Documents.

NOW THEREFORE, the Company, the Collateral Agent and Investors hereby agree as follows:

1. Financings .

(a) Issuance of Equity Interest to the Collateral Agent; Initial Loan . At the initial closing under this Agreement (the " Initial Closing "), and as a condition and immediately prior to completion of the Acquisition Transaction (which shall be deemed to have occurred at the Closing under the APA) , the Company will issue and sell to the Collateral Agent as an Investor , and the Collateral Agent agrees to purchase from the Company as an Investor , a number of shares (the " Shares ") of Parent ' s common stock, par value $.001 per share (the " Common Stock "), representing seventy percent (70%) of the fully diluted Common Stock of Parent immediately following the issuance of the Shares.

(i) The purchase price (the " Purchase Price ") of the Shares at the Closing shall be equal to Four Hundred Ninety -Nine Thousand Nine Hundred Dollars ($499,900) plus the commitments herein with respect to an additional $4.5 million in financing .

(ii) Concurrent with the purchase of the Shares, the Collateral Agent shall make a n initial loan to the Company in the amount of One Hundred Dollars ($ 1 00) (the " Initial Loan "). The Initial Loan shall have a term of one year and shall accrue interest at a rate per annum equal to 1 50 % of the medium-term applicable federal rate promulgated by the Internal Revenue Service for purposes of Section 1274(b) of the Code for the calendar month in which the initial Closing Date occurs .

(iii) The purchase of the Shares shall be pursuant to the Financing Documents and the Initial Loan shall be secured by the Financing Documents, in each case in such forms as are required by the Collateral Agent.

(b) Subsequent Financings .From and after the Initial Closing, the Collateral Agent , as Investor, and other Investors shall provide an aggregate of Four Million Five Hundred Thousand Dollars ($4,500,000) of additional Financing s to the Company. Such Financings may take the form of loans or other investments and may be in the form of securities or non-securities, as determined by the Company and Investors. The timing, amounts, terms and conditions of such Financings and related Financing Documents shall be as agreed between the Company and Investors. It is the Collateral Agent ' s and the Company ' s intent that such Financings take the form of senior secured loans to the Company (including HRS) to the fullest extent practicable. For avoidance of doubt, t he Financings, together with the Financing provided for in Section 1 above, will total an aggregate of Five Million Dollars ($5,000,000).

(c) Section 1272 Acknowledgment . The Company and each Investor acknowledge that , to the extent any Financing involves a debt instrument together with equity instruments, each debt instrument and its associated equity instrument will be an " investment unit " within the meaning of Section 1273(c)(2) of the Internal Revenue Code of 1986, as amended (the " Code "), that , unless otherwise provided for in the Financing Documents, the portion of the p urchase p rice payable for the debt

instrument shall be $995 per $1,000 principal amount, and that such amount shall be the " issue price " (within the meaning of Section 1273(b) of the Code) of the debt instrument per $1,000 principal amount. The Company and each Investor agree that such issue price shall be used to determine the amount of " original issue discount, " if any, accruing and to be reported on the debt instrument pursuant to Section 1272 of the Code and the regulations promulgated thereunder. The balance of the purchase price shall be payable for the associated equity instrument.

(d) The Closing Date s . The date and time of the Initial Closing and subsequent closings of Financings under this Agreement and the Financing Documents (each a " Closing Date ") shall be 10:00 a.m., Los Angeles time, on the first day other than Saturday, Sunday or other day on which commercial banks in the State of California are authorized or required by law to remain closed (a " Business Day ") following the date of this Agreement or the respective Financing Document , subject to the satisfaction (or waiver) of all of the conditions to the Closing set forth in Sections 6(a) and 7(a) (or such later or earlier date as is mutually agreed to by the Company and Investor s participating in such Financing). The Closing shall occur on the Closing Date at the offices of Parent or at such other time, date and place as the Company and Collateral Agent may designate in writing.

(e) Form of Payment . On the Closing Date, (i) each Investor shall pay the applicable p urchase p rice or fund the applicable loan or other financing or make available the other financial accommodation to the Company for such Investor ' s participation in such Financing on the Closing Date , with any payments or advances being by wire transfer of immediately available funds in accordance with the Company ' s written wire instructions, less any amount withheld pursuant to Section 4(h) , and (ii) the Company shall deliver to each Investor any instruments, certificates or other documents representing or evidencing such Financing , duly executed on behalf of the Company and , as applicable, registered in the name of such Investor .

2. Investor ' s Representations and Warranties .

Each Investor represents and warrants, severally and not jointly, as of the date of this Agreement or the respective Financing Document and on the respective Closing Date, with respect to only itself, that:

(a) Investment Purpose . Such Investor (i) is acquiring any Securities purchased by such Investor and (ii) upon any conversion or exercise thereof, will acquire any Securities then issuable , for its own account and not with a view towards, or for offer or resale in connection with, the public sale or distribution thereof, except pursuant to sales registered under or exempted from the registration requirements of the 1933 Act; provided, however, that by making the representations herein, such Investor does not agree to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time pursuant to a registration statement that has been declared and is effective under the 1933 Act or in accordance with an exemption from the registration requirements of the 1933 Act.

(b) Accredited Investor Status . Such Investor is an " accredited investor " as that term is defined in Rule 501(a) of Regulation D.

(c) Reliance on Exemptions . Such Investor understands and agrees that any Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of the United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and such Investor ' s compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Investor set forth herein in order to determine the availability of such exemptions and the eligibility of such Investor to acquire the Securities.

(d) Information . Such Investor and its advisors, if any, have been furnished with all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Securities that have been requested by such Investor . Such Investor and its advisors, if any, have been afforded the opportunity to ask questions of and receive answers from the Company. Neither such inquiries nor any other due diligence investigations conducted by such Investor or

its advisors, if any, or its representatives shall modify, amend or affect such Investor ' s right to rely on the truth, accuracy and completeness of the Company ' s representations and warranties contained in the Transaction Documents (as defined in Section 3(b)). Such Investor understands that its investment in the Securities involves a high degree of risk. Such Investor has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an Investment in the Securities. Such Investor has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities.

(e) No Governmental Review . Such Investor understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of any offering of the Securities.

(f) Transfer or Resale . Such Investor understands that, except as provided in the Registration Rights Agreement, (i) any Securities have not been and are not being registered under the 1933 Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, (B) such Investor shall have delivered to the Company an opinion of counsel, in a generally acceptable form, to the effect that such Securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration, or (C) such Investor provides the Company with reasonable assurance that such Securities can be sold, assigned or transferred pursuant to Rule 144 promulgated under the 1933 Act (or a successor rule thereto) (" Rule 144 "); (ii) any sale of the Securities made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144, and further, if Rule 144 is not applicable, any resale of the Securities under circumstances in which the seller (or the p erson through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the 1933 Act) may require compliance with some other exemption under the 1933 Act or the rules and regulations of the SEC thereunder; and (iii) neither the Company nor any other person is under any obligation to register the Securities under the 1933 Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder. Notwithstanding the foregoing, the Securities may be pledged in connection with a bona fide margin account or other loan or financing arrangement secured by the Securities.

(g) Legends . Such Investor understands that the certificates or other instruments representing any Securities , until such time as the sale thereof have been registered under the 1933 Act as contemplated by the Registration Rights Agreement, the certificates or instruments representing the Securities , except as set forth below, shall bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such stock certificates):

> THE SECURITIES [REPRESENTED / EVIDENCED] BY THIS [CERTIFICATE / INSTRUMENT] HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS OR (B) AN APPROPRIATE EXCEPTION UNDER SAID ACT OR APPLICABLE SECURITIES LAWS OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

The legend set forth above shall be removed and the Company shall issue a certificate without such legend to the holder of the Securities upon which it is stamped if (i) such Securities are registered for resale under the 1933 Act, (ii) in connection with a sale transaction, such holder provides the Company with an opinion of counsel, in a generally acceptable form, to the effect that a public sale, assignment or transfer of the Securities may be made without registration under the 1933 Act, (iii) such holder provides the Company with reasonable assurance that the Securities can be sold pursuant to Rule 144(b) promulgated under the

1933 Act (or a successor rule thereto), or (iv) such holder provides the Company with reasonable assurance that the Securities have been or are being sold pursuant to Rule 144.

(h) Authorization; Enforcement; Validity . Such Investor is a validly existing corporation, partnership, limited liability company or other entity and has the requisite corporate, partnership, limited liability or other organizational power and authority to purchase the Securities or make the Financing pursuant to this Agreement and the applicable Financing Documents . This Agreement and the applicable Financing Documents have been duly and validly authorized, executed and delivered on behalf of such Investor and are valid and binding agreements of such Investor enforceable against such Investor in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting the enforcement of creditors ' rights generally and by general principles of equity relating to enforceability (regardless of whether considered in a proceeding at law or in equity). The Collateral Agreement, the Account Control Agreements and each of the other agreements entered into and other documents executed by or on behalf of such Investor in connection with the transactions contemplated hereby and thereby as of the Closing will have been duly and validly authorized, executed and delivered on behalf of such Investor as of the Closing and will be valid and binding agreements of such Investor enforceable against such Investor in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting the enforcement of creditors ' rights generally and by general principles of equity relating to enforceability (regardless of whether considered in a proceeding at law or in equity).

3. Representations and Warranties of the Company .

The Company represents and warrants, as of the date of this Agreement and on the Closing Date, to each of Investors, that (to the extent appropriate in the context in this Section 3, references to the Company shall be to Parent and to the extend appropriate in the context in this Section 3, references to the Company shall include HRS):

(a) Organization and Qualification . Set forth on Schedule 3(a) is a true and correct list of the entities in which the Company, directly or indirectly, owns capital stock or holds an equity or similar interest, together with their respective jurisdictions of organization and the percentage of the outstanding capital stock or other equity interests of such entity that is held by the Company or any Subsidiary of the Company . Other than with respect to the entities listed on Schedule 3(a) , the Company does not, directly or indirectly, own any securities or beneficial ownership interests in any other person (including through joint ventures or partnership arrangements) or have any investment in any other person . Each of the Company and its Subsidiaries is a corporation, limited liability company, partnership or other entity and is duly organized and validly existing in good standing under the laws of the jurisdiction in which it is incorporated or organized and has the requisite corporate, partnership, limited liability company or other organizational power and authority to own its properties and to carry on its business as now being conducted. The Company is duly qualified to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect. As used in this Agreement, " Material Adverse Effect " means any material adverse effect on (i) the business, properties, assets, operations, results of operations, condition (financial or otherwise), credit worthiness or prospects of the Company and its Subsidiaries, taken as a whole, or on the transactions contemplated hereby or on any of the agreements and instruments to be entered into in connection herewith (including, without limitation, the legality, validity or enforceability thereof), or on the authority or ability of the Company and its Subsidiaries to perform their respective obligations under the Transaction Documents (as defined in Section 3(b)) or (ii) the rights and remedies of Investor s or the Collateral Agent under the Transaction Documents. Except as set forth in Schedule 3(a) , the Company holds all right, title and interest in and to 100% of the capital stock, equity or similar interests of each of its Subsidiaries, in each case, free and clear of any Liens (as defined below), including any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of free and clear ownership by a current holder, and no such Subsidiary owns capital stock or holds an equity or similar interest in any other

person. " Lien " means, with respect to any asset, any mortgage, lien, pledge, hypothecation, charge, security interest, encumbrance or adverse claim of any kind and any restrictive covenant, condition, restriction or exception of any kind that has the practical effect of creating a mortgage, lien, pledge, hypothecation, charge, security interest, encumbrance or adverse claim of any kind (including any of the foregoing created by, arising under or evidenced by any conditional sale or other title retention agreement, the interest of a lessor with respect to a Capital Lease Obligation, or any financing lease having substantially the same economic effect as any of the foregoing). " Subsidiary " means any entity in which the Company, directly or indirectly, owns twenty percent (20%) or more of the outstanding capital stock, equity or similar interests or voting power of such entity at the time of this Agreement or at any time hereafter.

(b) Authorization; Enforcement; Validity . The Company has the requisite corporate power and authority to enter into and perform its obligations under each of this Agreement, the Registration Rights Agreement, the Irrevocable Transfer Agent Instructions (as defined in Section 5), the other Financing Documents and each of the other agreements to which it is or will become a party or by which it is or will become bound and which is or will be entered into by the parties hereto in connection with the transactions contemplated hereby and thereby (collectively, the " Transaction Documents "), and to issue any Securities in accordance with the terms hereof and thereof. Each Subsidiary that is or will become a party to or bound by a Transaction Document has the requisite corporate or other organizational power and authority to enter into and perform its obligations under each Transaction Document to which it is or will become a party or by which it is or will become bound. The execution and delivery of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby have been or will prior to their execution and delivery be duly authorized by the board of directors of the Company (the " Board of Directors ") and no further consent or authorization is or shall be required by the Company, its stockholders or the Board of Directors. To the extent that a Subsidiary is a party to or bound by a Transaction Document, the execution and delivery of such Transaction Document by such Subsidiary and the consummation by such Subsidiary of the transactions contemplated thereby have been duly authorized by the board of directors or equivalent body of such Subsidiary and no further consent or authorization is required by such Subsidiary , its equity holders or its board of directors or equivalent body. This Agreement and the other Transaction Documents dated as of the date hereof have been and any other Transaction Documents will be duly executed and delivered by Company and, if applicable, its Subsidiaries and constitute the valid and binding obligations of such parties, enforceable against such parties in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting the enforcement of creditors ' rights generally and by general principles of equity relating to enforceability (regardless of whether considered in a proceeding at law or in equity), and except to the extent that indemnification provisions thereof may be limited by federal or state securities laws. As of each Closing, the Transaction Documents dated after the date of this Agreement and on or prior to the date of such Closing shall have been duly executed and delivered by the Company and, if applicable, its Subsidiaries and shall constitute the valid and binding obligations of such parties, enforceable against such parties in accordance with their terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting the enforcement of creditors ' rights generally and by general principles of equity relating to enforceability (regardless of whether considered in a proceeding at law or in equity).

(c) Capitalization . As of September 10 , 20 1 5 , the authorized capital stock of the Company consists of (i) 2 00,000,000 shares of Common Stock, of which as of September 10 , 20 1 5 , 3 4 , 4 61 , 44 4 shares are issued and outstanding, a number of shares of Common Stock equal to 2% of the outstanding C ommon S tock are reserved for issuance pursuant to the Company ' s stock option, restricted stock and stock purchase plans , 7 5 , 122 shares of which are reserved for issuance pursuant to outstanding options , 1,050 , 000 are reserved for issuance pursuant to outstanding warrants , and 9 , 375 , 000 are reserved for issuance pursuant to outstanding preferred stock exercisable or exchangeable for, or convertible into, shares of Common Stock (such final number being subject to potential adjustment, as it is based on market prices of the Common Stock) and (ii) 20,000,000 shares of Preferred Stock, par value $0.001 per share, which includes (A) 7 , 5 00 shares of Series D Preferred Stock, of which 7,500 shares are issued and outstanding (the " Series D ") and (B) 12,500,000 shares of " blank check " Preferred Stock, of which no shares

are issued and outstanding. All of such outstanding or issuable shares have been, or upon issuance will be, validly issued and are, or upon issuance will be, fully paid and non-assessable. Except as set forth in the first sentence of this Section 3(c) or as disclosed in Schedule 3(b) :(A) no shares of the capital stock of the Company are issued or outstanding; (B) no shares of the capital stock of the Company are subject to preemptive rights or any other similar rights or any Liens suffered or permitted by the Company; (C) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into or exchangeable or exercisable for, any shares of capital stock of the Company or any of its Subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional shares of capital stock of the Company or any of its Subsidiaries, or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into or exercisable for, any shares of capital stock of the Company or any of its Subsidiaries; (D) there are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of their securities under the 1933 Act (except the Registration Rights Agreement); (E) there are no outstanding securities or instruments of the Company or any of its Subsidiaries that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to redeem a security of the Company and no other stockholder or similar agreements to which the Company is party; (F) there are no outstanding securities or instruments containing anti-dilution or similar provisions that will or may be triggered by the issuance of the Securities; and (G) the Company does not have any stock appreciation rights or " phantom stock " plans or agreements or any similar plan or agreement. The Company has furnished to each Investor true and correct copies of the Company ' s articles of incorporation, as amended and as in effect on the date hereof (the " Certificate of Incorporation "), and the Company ' s bylaws, as amended and as in effect on the date hereof (the " Bylaws "), the organizational documents and bylaws of each of the Company ' s Subsidiaries, as amended and in effect on the date this representation is made and the terms of all outstanding securities convertible into, or exercisable or exchangeable for, Common Stock, and the material rights of the holders thereof in respect thereto.

(d) Issuance of Securities . The Shares have been duly authorized and, upon issuance in accordance with the terms hereof, shall be duly and validly issued, fully paid and non - assessable and free from all taxes and Liens with respect to the issuance thereof, with the holders being entitled to all rights accorded to a holder of Common Stock and the rights set forth in the Transaction Documents . Assuming the accuracy of the representations and warranties of the initial Investor set forth in Section 2 , the issuance by the Company of the Shares will be exempt from registration under the 1933 Act and applicable state securities laws.

(e) No Conflicts . The execution and delivery of the Transaction Documents by the Company, and, if applicable its Subsidiaries, the performance by such parties of their obligations hereunder and thereunder and the consummation by such parties of the transactions contemplated hereby and thereby will not (i) result in a violation of the Certificate of Incorporation or the Bylaws of the Company or any organizational document or bylaws of any Subsidiary ; (ii) conflict with, or constitute a breach or default (or an event which, with the giving of notice or lapse of time or both, constitutes or would constitute a breach or default) under, or give to others any right of termination, amendment, acceleration or cancellation of, or other remedy with respect to, any agreement, indenture or instrument to which the Company or any Subsidiary is a party; or (iii) result in a violation of any Requirements of Law. Neither the Company nor any Subsidiary is in violation of any term of its certificate of incorporation (or the organizational charter) or bylaws or operating agreement, as applicable. Neither the Company nor any Subsidiary is in material violation of any term of or in material default under (or with the giving of notice or lapse of time or both would be in violation of or default under) any contract, agreement, mortgage, indebtedness, indenture, instrument, judgment, decree or order or any statute, rule or regulation applicable to the Company or any of its Subsidiaries. The business of the Company and each Subsidiary is not being conducted, and shall not be conducted, in violation in any material respect of any Requirements of Law. Other than the filings described in Section 4(b) and Section 4(g) , in the case of the Registration Rights Agreement, such filings as will be made under the 1933 Act or state securities laws, and the filing of instruments to perfect security interests, neither the Company nor any Subsidiary is required to obtain any consent, authorization or order of, or make any filing or registration with, any court

or governmental agency or any regulatory or self-regulatory agency in order for it to execute, deliver or perform any of its obligations under or contemplated by the Transaction Documents in accordance with the terms hereof or thereof. All consents, authorizations, orders, filings and registrations that the Company or any of its Subsidiaries is required to obtain as described in the preceding sentence have been obtained or effected on or prior to the date of this Agreement. Neither the Company nor any of its Subsidiaries is in violation of any applicable provision of the Sarbanes-Oxley Act of 2002, as amended, and the rules and regulationthereunder (collectively, " Sarbanes-Oxley "). The Company is unaware of any facts or circumstances that might give rise to any violation of any applicable provision of Sarbanes-Oxley. As used in this Agreement, " Governmental Entity " means the government of any nation, state, city, locality or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to governmentand any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing. " Requirements of Law " means, as to any person, any United States or foreign law, statute, treaty, rule, regulation, right, privilege, qualification, license or franchise or determination of an arbitrator or a court or other Governmental Entity, in each case applicable or binding upon such person or any of its property or to which such person or any of its property is subject or pertaining to any or all of the transactions contemplated or referred to herein.

(f) SEC Documents; Financial Statements . Since January 1 , 20 13 , the Company has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the Securities Exchange Act of 1934, as amended (the " 1934 Act ") (all of the foregoing filed at least five (5) Business Days prior to the date hereof (including all exhibits included therein and financial statements and schedules thereto and documents incorporated by reference therein) being hereinafter referred to as the " SEC Documents ") and has filed or will file all such other reports, schedules, forms, statutes, and other documents filed after the date that is five (5) Business Days prior to the date hereof but prior to or on the Closing Date (the " Additional SEC Documents "). A complete and accurate list of the SEC Documents (and, to the extent filed prior to the date hereof, the Additional SEC Documents) is set forth on the SEC ' s website www.sec.gov. The Company has made available (or will make available) to Investor s or their respective representatives true and complete copies of the SEC Documents and the Additional SEC Documents. Each of the SEC Documents and the Additional SEC Documents was filed (or will be filed) with the SEC within the time frames prescribed by the SEC for the filing of such SEC Documents and Additional SEC Documents (including any extensions of such time frames permitted by Rule 12b-25 under the 1934 Act) such that each filing was timely filed (or deemed timely filed pursuant to Rule 12b-25 under the 1934 Act) with the SEC. As of their respective dates, the SEC Documents and the Additional SEC Documents complied (or will comply) in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents and the Additional SEC Documents. None of the SEC Documents or Additional SEC Documents, at the time they were filed (or will be filed) with the SEC, contained (or will contain) any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Since the filing of the SEC Documents and any Additional SEC Documents filed prior to the date hereof, no event has occurred that would require an amendment or supplement to any of the SEC Documents or any of the Additional SEC Documents to the extent such SEC Documents or Additional SEC Documents have not already been amended or supplemented as of the date hereof. Except for correspondence with respect to written requests by the Company, from time to time, for confidential treatment of specified information in agreements required to be filed as exhibits to SEC Documents, copies of which have been previously provided to Investor s, the Company has not received any written comments from the SEC staff that have not been resolved to the satisfaction of the SEC staff. As of their respective dates, the financial statements of the Company included in the SEC Documents or in the Additional SEC Documents complied (or will comply) as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Except as permitted with respect to foreign acquired entities, such financial statements have been prepared in accordance with United States generally accepted accounting principles (" GAAP "), consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all

material respects the financial position of the Company as of the dates thereof and the results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments that are not material individually or in the aggregate). None of the Company or, to the Company ' s knowledge, any stockholder, officer, director or Affiliate (as defined in Section 4(j)) of the Company has made any other filing with the SEC, issued any press release or made any other public statement or communication on behalf of the Company or otherwise relating to the Company or any of its Subsidiaries that contains any untrue statement of a material fact or omits any statement of material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or has provided any other information to Investors, including information referred to in Section 2(d), that contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Except as set forth on Schedule 3(w) , which will be filed with the Form 8-K to be filed by the Company pursuant to Section 4(i) hereof, none of the Company or any of its officers, directors, employees or agents has provided Investors with any material, nonpublic information. Except for ancillary documents to be executed by the Company in connection with its acquisition of the Business, the Company is not required to file and will not be required to file any agreement, note, lease, mortgage, deed or other instrument entered into prior to the date hereof and to which the Company is a party or by which the Company is bound that has not been previously filed as an exhibit (including by way of incorporation by reference) to its reports filed or made with the SEC under the 1934 Act. The accounting firm of MartinelliMickPLLC, which has expressed its opinion with respect to the consolidated financial statements included in the Company ' s annual report on Form 10-K for the fiscal year ended December 31, 2015 (the " Audit Opinion ") and reviewed the consolidated financial standards included in the Company ' s most recently filed quarterly report on Form 10-Q is independent of the Company pursuant to the standards set forth in Rule 2-01 of Regulation S-X promulgated by the SEC, and such firm was otherwise qualified to render the Audit Opinion and complete such review under applicable law and the rules and regulations of the SEC. There is no transaction, arrangement or other relationship between the Company and an unconsolidated or other off-balance-sheet entity that is required to be disclosed by the Company in its reports pursuant to the 1934 Act that has not been so disclosed in the SEC Documents. Since January 1, 2014, neither the Company nor, to the knowledge of the Company, any director, officer or employee, of the Company, has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of the Company or its internal accounting controls, including any complaint, allegation, assertion or claim that the Company has engaged in questionable accounting or auditing practices. No attorney representing the Company, whether or not employed by the Company, has reported evidence of a material violation of securities laws, breach of fiduciary duty or similar violation by the Company or any of its officers, directors, employees or agents to the Board of Directors or any committee thereof or to any director or officer of the Company pursuant to Section 307 of the Sarbanes-Oxley Act of 2002, and the SEC ' s rules and regulations promulgated thereunder. Since June 30, 2004, there have been no internal or SEC investigations regarding accounting or revenue recognition discussed with, reviewed by or initiated at the direction of the chief executive officer, principal financial officer, the Board of Directors or any committee thereof. Other than qualifying the shares of Common Stock for listing on the OTC Markets Group Inc. ' s OTCPink tier (the " OTCP "), the Company is eligible to register the Shares for resale by Investor on Form S-3 promulgated under the 1933 Act.

(g) Absence of Certain Changes . Except as disclosed in any SEC Documents that were filed with the SEC at least five (5) days prior to the date of this Agreement or as set forth in Schedule 3(g) , since January 1 , 20 1 5, there has been no Material Adverse Effect. The Company has not taken any steps, and the Company currently does not expect to take any steps, to seek protection pursuant to any bankruptcy law nor does the Company have any knowledge or reason to believe that the creditors of the Company intend to initiate involuntary bankruptcy proceedings or any knowledge of any fact that would reasonably lead a creditor to do so. The Company is not as of the date hereof, nor after giving effect to the transactions contemplated hereby, will be Insolvent (as defined below). For purposes of this Section 3(g) , " Insolvent " means (i) the present fair saleable value of the Company ' s assets is less than the amount required to pay the Company ' s total indebtedness, contingent or otherwise, (ii) the Company is unable to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities

become absolute and matured, (iii) the Company intends to incur, prior to December 31, 2018, or believes that it will incur, prior to December 31, 2018, debts that would be beyond its ability to pay as such debts mature or (iv) the Company has unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted. Except as disclosed in Schedule 3(g) , since January 1, 2015, the Company has not declared or paid any dividends or sold any assets outside of the ordinary course of business, individually or in the aggregate, in excess of $50,000. Except as disclosed in Schedule 3(g) , since January 1, 2015, the Company has not had any capital expenditures outside the ordinary course of its business in excess of $50,000.

(h) Absence of Litigation . Except as set forth on Schedule 3(h) and except for actions or litigation brought by person s (other than any Governmental Entity) in which the only claim made was for money damages and neither the amount claimed nor the aggregate payments made exceeded $ 75 ,000 and no other remedy or relief was provided, (i) there is no, nor during the past five years has there been any, action, suit, proceeding, claim, inquiry, complaint, dispute, arbitration or investigation (each, a " Claim ") before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company, threatened against or affecting the Company, the Common Stock or any of the Company ' s Subsidiaries or any of the Company ' s or its Subsidiaries ' officers or directors in their capacities as such, and (ii) to the knowledge of the Company, none of the directors or officers of the Company has been involved as a plaintiff, defendant or third-party witness in securities-related litigation during the past five years. None of the matters described in Schedule 3(h) , regardless of their outcome, will have a Material Adverse Effect.

(i) Acknowledgment Regarding Investor s ' Purchase of Securities . The Company acknowledges and agrees that each Investor is acting solely in the capacity of an arm ' s length purchaser with respect to the Company in connection with the Transaction Documents and the transactions contemplated hereby and thereby. The Company further acknowledges that each Investor is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated hereby and thereby, and any advice given by any Investor or any of their respective representatives or agents in connection with the Transaction Documents and the transactions contemplated hereby and thereby is merely incidental to such Investor ' s purchase of the Securities. The Company further represents to each Investor that the Company ' s decision to enter into the Transaction Documents has been based solely on the independent evaluation by the Company and its representatives.

(j) No Undisclosed Events, Liabilities, Developments or Circumstances . Except for the issuance of the Shares contemplated by this Agreement, no event, liability, development or circumstance has occurred or exists, or is contemplated to occur, with respect to the Company or its Subsidiaries or their respective business, properties, credit worthiness, prospects, operations or financial condition, that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made on a registration statement on Form S- 1 filed with the SEC relating to an issuance and sale by the Company of Common Stock and that has not been disclosed in an SEC Document filed with the SEC at least five (5) days prior to the date of this Agreement.

(k) No General Solicitation . Neither the Company, nor any of its Affiliates, nor any person acting on its or their behalf, has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D under the 1933 Act) in connection with the offer or sale of the Securities.

(l) No Integrated Offering . Neither the Company, nor any of its Affiliates, nor any person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security under circumstances that would require registration of any of the Securities under the 1933 Act or cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of the 1933 Act or any applicable stockholder approval provisions of any authority, nor will the Company take any action or steps that would require registration of the issuance of any of the Securities under the 1933 Act or cause the offering of the Securities to be Integrated with other offerings for purposes of the 1933 Act other than as contemplated in the Registration Rights Agreement.

(m)

Dilutive Effect . The Company understands and acknowledges that the number of Shares issued under this Agreement will be substantially dilutive to the outstanding Common Stock, but that, concurrently therewith, the Company will complete the Acquisition Transaction and acquire the Business. The Company further acknowledges that its obligation to issue the Shares in accordance with this Agreement isabsolute and unconditional regardless of the dilutive effect that such issuance may have on the ownership interests of other stockholders of the Company. Taking the foregoing into account, the Board of Directors has determined in its good faith business judgment that the issuance of the Shares and the consummation of the other transactions contemplated hereby are in the best interests of the Company and its stockholders.

(n) Employee Relations . Neither the Company nor any of its Subsidiaries is involved in any labor union dispute nor, to the knowledge of the Company or any of its Subsidiaries, is any such dispute threatened. Except as set forth on Schedule 3(n) , none of the employees of the Company or any of its Subsidiaries is a member of a union that relates to such employee ' s relationship with the Company or such Subsidiary , and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and its Subsidiaries believe that the Company ' s relations with its employees and the relations of its Subsidiaries with their respective employees are good. Except as previously disclosed in the SEC Documents filed at least five (5) Business Days prior to the date hereof, no executive officer (as defined in Rule 3b-7 under the 1934 Act), nor any other person whose termination would be required to be disclosed pursuant to Item 5.02 of Form 8-K, has notified the Company that such person intends to leave the Company or otherwise terminate such person ' s employment with the Company. To the knowledge of the Company or its Subsidiaries, no executive officer is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement, non-competition agreement, or any other contract or agreement or any restrictive covenant, and, to the Company ' s knowledge, the continued employment of each such executive officer does not subject the Company or its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all federal, state, local and foreign laws and regulations relating t o employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance would not result, either individually or in the aggregate, in a Material Adverse Effect.

(o) Intellectual Property Rights . The Company and its Subsidiaries own or possess adequate rights or licenses to use all trademarks, trade names, service marks, service mark, service names, and all applications and registrations therefor, trade - dress, internet domain names, web pages, patents, patent applications, patent rights, copyrights (whether or not registered), inventions, licenses, approvals, governmental authorizations, trade secrets, know-how, databases, processes, procedures, customer lists, personally-identifiable information, confidential business information, computer software and related documentation and other intellectual property rights necessary to conduct their respective businesses as now conducted (collectively, the " Intellectual Property "). Schedule 3(o) contains a complete and correct list of all patented and registered Intellectual Property owned by the Company and its Subsidiaries and all pending patent applications and applications for the registration of other Intellectual Property owned or filed by the Company or its Subsidiaries. Schedule 3(o) also contains a complete and correct list of all licenses and other rights granted by the Company to any third party with respect to the Intellectual Property and licenses and other rights with respect to Intellectual Property granted by any third party to the Company. All such items of Intellectual Property and licenses with respect thereto are valid, subsisting any enforceable and in full force and effect. None of the rights of the Company in any Intellectual Property have expired or terminated, or are expected to expire or terminate within five years from the date of this Agreement. Except as described in Schedule 3(o) , none of the Intellectual Property, products or services used, developed, provided, imported, made, sold, licensed or otherwise exploited by the Company or any of its Subsidiaries infringes upon or otherwise violates any Intellectual Property rights of others. Except as described in Schedule 3(o) , no litigation is pending and no claim has been made against the Company or any of its Subsidiaries or, to the knowledge of the Company, is threatened, contesting the right of the Company or any Subsidiary to sell, license or use the Intellectual Property presently sold, licensed or used by the Company or any of its Subsidiaries. To the Company ' s knowledge, there is no patent or patent application which contains claims that interfere with the issued or pending claims of any of the Intellectual Property owned, licensed or used by the Company. The Company and its

Subsidiaries and, to the Company ' s knowledge, the inventors of the Intellectual Property owned, licensed or used by the Company and the Company ' s licensors, have complied with the duty of candor and disclosure set forth in 37 C.F.R. § 1.56 with respect to each of the patents and patent applications comprising the Intellectual Property owned, licensed or used by the Company. None of the technology employed by the Company or its Subsidiaries has been obtained or is being used by the Company or its Subsidiaries in violation of any contractual obligation binding on the Company or its Subsidiaries or, to the Company ' s knowledge, any of its officers, directors or employees in violation of the rights of any persons. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their Intellectual Property. Except as described in Schedule 3(o) , to the knowledge of the Company, no third party is infringing upon orotherwise violating the Intellectual Property rights of the Company or any of its Subsidiaries. To the Company ' s knowledge, at no time during the conception or reduction to practice of the Company ' s or any of its Subsidiaries ' Intellectual Property was any developer, inventor or other contributor to such Intellectual Property operating under any grants from any governmental authority. Each present or past employee, officer, consultant or any other person who developed any part of any product that is or will be used in the conduct of the Company ' s business as currently contemplated has executed a valid and enforceable agreement with the Company that conveys any and all right, title and interest in and to all Intellectual Property developed by such person in connection with such person ' s employment or contract with the Company, and establishes that, to the extent such person is an author of a copyrighted work created in connection with such person ' s employment or contract, such work is a " work made for hire. "

(p) Environmental Laws . Each of the Company and its Subsidiaries (i) is in compliance with any and all Environmental Laws (as defined below), (ii) has received all permits, licenses or other approvals required of it under applicable Environmental Laws to conduct its business, (iii) is in compliance with all terms and conditions of any such permit, license or approval and (iv) to the Company ' s knowledge, there are no events, conditions or circumstances reasonably likely to result in liability of the Company or any Subsidiary pursuant to Environmental Laws. The term " Environmental Laws " means all federal, state, local or foreign laws relating to pollution or protection of human health or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata), including laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of hazardous materials, as well as all authorizations, codes, decrees, demands or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations issued, entered, promulgated or approved thereunder.

(q) Title . The Company and its Subsidiaries have good and valid title to all personal property owned by them that is material to the business of the Company, in each case free and clear of all Liens except such as are described in Schedule 3(q) and except for Liens incurred to secure Indebtedness used to purchase or refinance any such personal property that only secures such personal property. The Company does not own (rather than lease) any interest in any real property.

(r) Insurance . The Company and each Subsidiary is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its Subsidiaries are engaged. Neither the Company nor any such Subsidiary has been refused any insurance coverage sought or applied for, and neither the Company nor any such Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expire s or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

(s) Regulatory Permits . The Company and its Subsidiaries possess all certificates, authorizations, approvals, licenses and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses as presently conducted (" Permits "), including all Permits required by any Governmental Entity (as applicable, collectively the " Agency ") or any other federal, state or foreign agencies or bodies engaged in the regulation of the

Company ' s activities or biohazardous materials, and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any such Permit. Each of the Company and each Subsidiary is, and at all times since January 1, 2013, has been, in compliance with all Permits and all Requirements of Law applicable to such entity or by which any property or asset of such entity is bound or affected, and has not received written notice of any violation of any such Requirements of Law, except as has not had, or would not reasonably be expected to have, a Material Adverse Effect. The Company is not in violation of any of the rules, regulations or requirements of the OTCP (the " Principal Market " ; provided, however, that, if after the date of this Agreement the Common Stock is listed on any exchange of International Exchange, Inc., such as the NYSE, any exchange of The NASDAQ OMX Group, Inc. or quoted on a U.S. national interdealer quotation system (including The OTC Bulletin Board or any interdealer quotation system operated by The OTC Markets Group Inc.), the " Principal Market " shall mean such exchange or market, as applicable), and has no knowledge of any facts or circumstances that could reasonably lead to suspension or termination of trading of the Common Stock on the Principal Market. Since January 1, 2013, (i) the Company ' s Common Stock has been eligible for quotation on the Principal Market, (ii) trading in the Common Stock has not been suspended by the SEC or the Principal Market and (iii) the Company has received no communication, written or oral, from the SEC or the Principal Market regarding the suspension or termination of trading of the Common Stock on the Principal Market. The Company satisfies the quantitative and qualitative standards applicable to a smaller reporting company (as defined in 230 C.F.R. § 230.405) and for listing of the Common Stock on the OTCP.

(t) Internal Accounting Controls; Disclosure Controls and Procedures . The Company and each of its Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management ' s general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset and liability accountability, (iii) access to assets or incurrence of liability is permitted only in accordance with management ' s general or specific authorization and (iv) the recorded accountability for assets and liabilities is compared with the existing assets and liabilities at reasonable intervals and appropriate action is taken with respect to any differences. The Company has timely filed and made available to Investor s all certifications and statements required by (A) Rule 13a-14 or Rule 15d-14 under the 1934 Act and (B) Section 906 of Sarbanes-Oxley with respect to any Company SEC Documents. The Company maintains disclosure controls and procedures required by Rule 13a-15 or Rule 15d-15 under the 1934 Act; such controls and procedures are effective to ensure that the information required to be disclosed by the Company in the reports that it files with or submits to the SEC (X) is recorded, processed, summarized and reported accurately within the time periods specified in the SEC ' s rules and forms and (Y) is accumulated and communicated to the Company ' s management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. The Company maintains internal control over financial reporting required by Rule 13a-15 or Rule 15d-15 under the 1934 Act; such internal control over financial reporting is effective and does not contain any material weaknesses.

(u) No Materially Adverse Contracts, Etc . Except as has not had, and would not reasonably be expected to have, a Material Adverse Effect, (i) each Specified Contract is a legal, valid and binding obligation of the Company or a Subsidiary , as applicable, in full force and effect and enforceable against the Company or a Subsidiary in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency (including all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting creditors ' rights generally and subject to the effect of general principles of equity, (ii) to the knowledge of the Company, each Specified Contract is a legal, valid and binding obligation of the counterparty thereto, in full force and effect and enforceable against such counterparty in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency (including all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting creditors ' rights generally and subject to the effect of general principles of equity, (iii) neither the Company nor any of its Subsidiaries is and, to the Company ' s knowledge, no counterparty is, in breach or violation of, or in default under, any Specified Contract, (iv) none of the Company or any of the Subsidiaries has received any claim of default under any Specified Contract or any written notice of an intention to terminate, not renew or challenge the validity or enforceability of any Specified Contract and (v) to the Company ' s knowledge, no event has occurred which would result in a breach or violation of, or a default

under, any Specified Contract (with or without notice or lapse of time or both). For purposes of this Agreement, the term " Specified Contract " means any contract, agreement or understanding currently in effect that has been filed (or should have been filed) as an exhibit to any SEC Document or is otherwise described or incorporated by reference in such SEC Document. Neither the Company nor any of its Subsidiaries is subject to any charter, corporate or other legal restriction, or any judgment, decree, order, rule or regulation that has, or is expected in the future to have, a Material Adverse Effect. Neither the Company nor any of its Subsidiaries is a party to any contract, agreement or understanding that in the judgment of the Company ' s officers has or is expected to have a Material Adverse Effect.

(v) Tax Status . The Company and each of its Subsidiaries (i) has made or filed all material foreign, federal, state and local income and other tax returns, reports and declarations required by any jurisdiction in which it is subject to tax, (ii) has paid all taxes and other governmental assessments and charges that are material in amount and due, whether shown to be due on such returns, reports and declarations or otherwise, except those being contested in good faith and for which the Company has made appropriate reserves on its books, and (iii) has set aside on its books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations (referred to in clause (i) above) apply. There are no unpaid taxes in any material amount claimed in writing to be due by the taxing authority of any jurisdiction, and, to the Company ' s knowledge, there is no basis for any such claim.

(w) Transactions w ith Affiliates . Except as set forth in Schedule 3(w) or as set forth in the SEC Documents filed at least five (5) Business Days prior to the date of this Agreement, no Related Party (as defined in Section 4(j)) of the Company or any of its Subsidiaries, or any of their respective Affiliates, is presently, or has been within the past two years, a party to any transaction, contract, agreement, instrument, commitment, understanding or other arrangement or relationship with the Company (other than directly for services as an employee, officer and/or director), whether for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments or consideration to or from any such Related Party. Except as set forth in Schedule 3(w) , no Related Party of the Company or any of its Subsidiaries, or any of their respective Affiliates, has any direct or indirect ownership interest in any person (other than ownership of less than 1% of the outstanding common stock of a publicly traded corporation) in which the Company or any of its Subsidiaries has any direct or indirect ownership interest or with which the Company or any of its Subsidiaries competes or has a business relationship.

(x) Application of Takeover Protections . The Company and the Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination or other similar anti-takeover provision under the Certificate of Incorporation or the laws of Nevada that is or could become applicable to Investor s as a result of the transactions contemplated by this Agreement, including the Company ' s issuance of the Securities and Investor s ' ownership of the Securities.

(y) Rights Agreement . The Company has not adopted a stockholder rights plan or similar arrangement relating to accumulations of beneficial ownership of Common Stock or a change in control of the Company.

(z) Foreign Corrupt Practices . Neither the Company, nor any of its Subsidiaries, nor to the Company ' s knowledge, any director, officer, agent, employee or other person acting on behalf of the Company or any of its Subsidiaries has, in the course of its actions for, or on behalf of, the Company or any of its Subsidiaries, used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

(aa)

No Other Agreements . As of the Closing Date, the Company has not, directly or indirectly, made any agreements with any Investors relating to the terms or conditions of the transactions contemplated by the Transaction Documents except as set forth in the Transaction Documents.

(bb) Outstanding Indebtedness; Liens . Payments of principal and other payments due under any loans made pursuant to the Transaction Documents will rank senior to all other i ndebtedness of the Company and its Subsidiaries other than ,to the extent of the specific security interest grant in Parent property (specifically not including the equity interests of HRS), payments of principal due from Parent under tho s e certain factoring documents set forth in Schedule 3(bb) (the " Facility "). Except as set forth on Schedule 3(bb) , (a) neither the Company nor any of its Subsidiaries has any outstanding Indebtedness or trade accounts payable, (b) there are no Liens on any of the respective assets of the Company or any of its Subsidiaries, and (c) there are no financing statements securing obligations of any amounts filed against the Company or any of its Subsidiaries or any respective assets.As of June 30, 20 15 , the aggregate amount of the outstanding Indebtedness and trade accounts payable of the Company or any of its Subsidiaries shall not exceed the aggregate amount of Indebtedness and trade accounts payable set forth on Schedule 3(bb) by more than $50,000.

(cc) Leases . Neither the Company nor any of its Subsidiaries owns any real property. Schedule 3(cc) contains a complete and correct list of all the real property which provide for a monthly rent in excess of $2,000 per month; facilities that (i) are leased or otherwise possessed by the Company or any of its Subsidiaries, (ii) in connection with which the Company or any of its Subsidiaries has entered into an option agreement, participation agreement or acquisition agreement or (iii) the Company or any of its Subsidiaries has agreed (or has an option) to lease or otherwise acquire or may be obligated to lease or otherwise acquire in connection with the conduct of its business (collectively, the " Leased Real Property "). Schedule 3(cc) also contains a complete and correct list, along with a summary of material terms, of all leases and other agreements with respect to which the Company or any of its Subsidiaries is a party or otherwise bound or affected with respect to the Leased Real Property (the " Real Property Leases "). Except as set forth in Schedule 3(cc) , the Company or its Subsidiaries is the sole legal and equitable owner of a leasehold interest in the Leased Real Property, and possesses good and marketable, indefeasible title thereto, free and clear of all Liens and other matters affecting title to such leasehold that could impair the ability of the Company or its Subsidiaries to realize the benefits of the rights provided to it under the Real Propert y Leases. All of the Real Property Leases are valid and in full force and effect and are enforceable against the Company or its Subsidiaries and neither the Company nor any other party thereto is in default under any of such Real Property Leases and no event has occurred which with the giving of notice or the passage of time or both could constitute a default under any of such Real Property Leases. Except as set forth in Schedule 3(cc) , no Real Property Lease is subject to termination, modification or acceleration as a result of the transactions contemplated hereby or by the other Transaction Documents. All of the Real Property Leases will remain in full force and effect upon, and permit, the consummation of the transactions contemplated hereby or by the other Transaction Documents. The Leased Real Property is properly zoned for its present use, are permitted, conforming structures and complies with all applicable building codes, ordinances and other Requirements of Law. There are no pending or, to the knowledge of the Company, threatened condemnation, eminent domain or similar proceedings, or litigation or other proceedings affecting the Leased Real Property, or any portion or portions thereof. To the knowledge of the Company, there are no pending or threatened requests, applications or proceedings to alter or restrict any zoning or other use restrictions applicable to the Leased Real Property that would interfere with the conduct of the Company ' s business. There are no restrictions applicable to the Leased Real Property that would interfere with the Company ' s or any Subsidiary ' s making an assignment to Investor s as contemplated by the Transaction Documents, including any requirement under any Real Property Leases requiring the consent of, or notice to, any lessor of any such Leased Real Property.

(dd) Communication with the Agency and other Governmental Authorities . The Company has no knowledge of any pending communication from the Agency or other similar foreign Governmental Entity that would cause the Company to revise its strategy for marketing or sales of Company (including HRS) products or other products under development.

(ee)

Brokers ' Fees . There are no brokerage commissions, finder ' s fees, or similar fees or commissions payable by the Company or any of its Subsidiaries in connection with the transactions contemplated hereby or by the other Transaction Documents based on any agreement, arrangement or understanding with the Company or any of its Subsidiaries.

(ff) Products .

(i) T here are no product liability claims against or involving the Company or any of its Subsidiaries or any product manufactured, marketed or distributed at any time by the Company or any of its Subsidiaries (" Products ") and no such claims in excess of $ 1 0,000 in the aggregate have been settled, adjudicated or otherwise disposed of since January 1, 2012 .

(ii) T here are no statements, citations or decisions by any Governmental Authority specifically stating that any Product is defective or unsafe or fails to meet any standards promulgated by any such Governmental Authority. T here have been no recalls ordered by any such Governmental Authority with respect to any Product. T o the Company ' s knowledge, there is no (A) fact relating to any Product that may impose upon the Company or any of its subsidiaries a duty to recall any Product or a duty to warn customers of a defect in any Product, (B) latent or overt design, manufacturing or other defect in any Product or (C) material liability for warranty claims or returns with respect to any Product not fully reflected on the Company ' s financial statements referred to in Section 4(e) hereof.

(gg) Investment Company . The Company is not, and upon the Closing will not be, an " investment company, " a company controlled by an " investment company, " or an " affiliated person " of, or " promoter " or " principal underwriter " for, an " investment company, " as such terms are defined in the Investment Company Act of 1940, as amended.

(hh) Privacy of Customer Information . Each of the Company and its Subsidiaries has a privacy policy (the " Privacy Policy ") regarding the collection and use of information from customers and other parties (" Customer Information "), copies of which have been provided to Investor s. Neither the Company nor any of its Subsidiaries uses any of the Customer Information in an unlawful manner, or in a manner violative of the Privacy Policy or the privacy rights of its customers. Neither the Company nor any of its Subsidiaries has collected any Customer Information through its website in an unlawful manner or in violation of its Privacy Policy. Each of the Company and its Subsidiaries has adequate security measures in place to protect the Customer Information from illegal use by third parties or use by third parties in a manner violative of the rights of privacy of its customers. No third party has obtained unauthorized access to the Customer Information. The consummation of the transactions and the transfer of the Customer Information will not violate the Privacy Policy of the Company or any of its Subsidiaries as it currently exists or as it existed at any time during which any of the Customer Information was collected or obtained, or any rights of consumers relating thereto.

(ii) Acquisition Agreement . The Company has delivered or made available to Investor s, true, complete and correct copies of the APA .

4. Covenants.

(a) Reasonable Best Efforts . Each party shall use its reasonable best efforts to timely satisfy each of the conditions to be satisfied by it as provided in Sections 6 and 7 of this Agreement.

(b) Form D and Blue Sky . The Company agrees to timely file a Form D with respect to the Securities as required under Regulation D and to provide a copy thereof to each Investor promptly after such filing. The Company shall, on or before the Closing Date, take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Securities for, sale to Investor s at the Closing pursuant to this Agreement under applicable securities or

“ Blue Sky ” laws of the states of the United States, and shall provide evidence of any such action so taken to Investors on or prior to the Closing Date. The Company shall make all filings and reports relating to the offer and sale of the Securities required under applicable securities or “ Blue Sky ” laws of the states of the United States following the Closing Date. Notwithstanding the foregoing, the Company shall in no event be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to service of process in suits, other than those arising out of the offering or sale of the Securities, or to taxation as doing business in any jurisdiction where it is not now subject.

(c) Reporting Status . Until the later of (i) the date as of which Investor s (as that term is defined in the Registration Rights Agreement) may sell all of the Shares without res triction pursuant to Rule 144 promulgated under the 1933 Act (or successor thereto), and (ii) the date on which Securities remain outstanding (the “ Reporting Period ”), the Company shall timely file all reports required to be filed with the SEC pursuant to the 1934 Act, and the Company shall not terminate its status as an issuer required to file reports under the 1934 Act even if the 1934 Act or the rules and regulations thereunder would otherwise permit such termination.

(d) Use of Proceeds . The Company will use the proceeds received pursuant to this Agreement (x)(i) for completion of the Acquisition Transaction and (ii) to pay expenses (including expenses of Investors) related to this Agreement and the Acquisition Transaction and (y) the balance of the proceeds for general corporate purposes including working capital, in each case as more specifically described and in the amounts indicated in Schedule 4(d) .

(e) Financial Information . The Company agrees to deliver the following to each Investor (as that term is defined in the Registration Rights Agreement) during the Reporting Period: (i) within one (1) day after the filing thereof with the SEC, a copy of i ts annual reports on Form 10-K , its quarterly reports on Form 10-Q , any current reports on Form 8-K and any registration statements (other than on Form S-8) or amendments or supplements filed pursuant to the 1933 Act, unless the foregoing are filed with the SEC through the SEC ’ s Electronic Data Gathering Analysis and Retrieval system (“ EDGAR ”) and are immediately available to the public through EDGAR; (ii) on the same day as the release thereof, facsimile copies of all press releases issued by the Company or any of its Subsidiaries, except to the extent such release is available through Bloomberg Financial Markets (or any successor thereto) contemporaneously with such issuance; and (iii) copies of any notices and other information made available or given to the stockholders of the Company generally, contemporaneously with the making available or giving thereof to the stockholders, unless the foregoing are filed with the SEC through EDGAR and are immediately available to the public through EDGAR on the same date given or made available to the stockholders.

(f) Reservation of Shares . The Company shall take all action necessary to at all times have authorized, and reserved for the purpose of issuance, no less than 200% of the number of shares of Common Stock needed to provide for issuance of Common Stock upon conversion of any outstanding convertible or exchangeable Securities (without regard to any limitations on conversion or exercise thereof).

(g) Listing . The Company shall use its reasonable best efforts to take all actions necessary to remain eligible for quotation of its Common Stock on OTCP and to cause all of the Registrable Securities (as defined in the Registration Rights Agreement) covered by a Registration Statement (as defined in the Registration Rights Agreement) to be quoted thereon, unless listed on another nationally recognized stock exchange. The Company shall use its reasonable best efforts to secure the listing of the Common Stock on a nationally recognized stock exchange as promptly as practicable after the date of this Agreement. The Company shall promptly secure the listing of all of the Registrable Securities upon each national securities exchange and automated quotation system, if any, upon which shares of Common Stock are then listed (subject to official notice of issuance) and shall maintain, so long as any other shares of Common Stock shall be so listed, such listing of all Registrable Securities from time to time issuable under the terms of the Transaction Documents. Neither the Company nor any of its Subsidiaries shall take any action which would be reasonably expected to result in the suspension or termination of trading of the Common Stock on the Principal Market. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section 4(g) .

(h)

Expenses . Subject to Section 10(k) below, at the Closing, the Company shall pay or reimbursethe fees, costs and expenses (including all legal fees and expenses) of each Investor incurred in connection with the due diligence,negotiating and preparing the Transaction Documents and consummating the transactions contemplated hereby and thereby. The amount payable to each Investor pursuant to the preceding sentence at the Closing may at Investors ' election be withheld as an off-set by Investors from consideration to be paid at Closing.

(i) Disclosure of Transactions and Other Material Information . Contemporaneous with or prior to the earlier of (i) the Company ' s first public announcement of the transactions contemplated hereby and (ii) 8:00 a.m. (New York City time) on the second (2nd) Business Day following the initial Closing Date, the Company shall file a Form 8-K with the SEC describing the terms of the Acquisition Transaction and of the transactions contemplated by the Transaction Documents and including all appropriate exhibits to such Form 8-K ,as required by the 1934 Act (the " Announcing Form 8 K "). The Company shall not make any public announcement regarding the transactions contemplated hereby prior to the Initial Closing. The Company represents and warrants that, from and after the filing of the Announcing Form 8-K with the SEC and upon each subsequent Closing , no Investor shall be in possession of any material nonpublic information received from the Company, any of its Subsidiaries or any of their respective officers, directors, employees or agents. The Company shall not, and shall cause each of its Subsidiaries and its and each of their respective officers, directors, employees and agents not to, provide any Investor with any material nonpublic information regarding the Company or any of its Subsidiaries from and after the filing of the Announcing Form 8-K with the SEC or any Closing without the express prior written consent of such Investor . In the event of a breach of the foregoing covenant, which breach continues for five (5) Business Days, by the Company, any of its Subsidiaries, or any of its or their respective officers, directors, employees and agents, in addition to any other remedy provided herein or in the Transaction Documents, a n Investor shall have the right to make a public disclosure, in the form of a press release, public advertisement or otherwise, of such material nonpublic information without the prior approval by the Company, its Subsidiaries, or any of its or their respective officers, directors, employees or agents. No Investor shall have any liability to the Company, its Subsidiaries, or any of its or their respective officers, directors, employees, stockholders or agents for any such disclosure. Subject to the foregoing, neither the Company nor any Investor shall issue any press releases or any other public statements with respect to the transactions contemplated hereby or disclosing the name of any Investor ; provided, however, that the Company shall be entitled, without the prior approval of any Investor , to make any press release or other public disclosure with respect to such transactions (i) in substantial conformity with the Announcing Form 8-K and contemporaneously therewith or subsequent thereto and (ii) as is required by applicable Requirements of Law (provided that each Investor shall be consulted by the Company in connection with any such press release or other public disclosure prior to its release and shall be provided with a copy thereof). From and after the date hereof, the Company shall not amend, modify, supplement, restate or otherwise waive any rights under the APA without the prior consent of the Collateral Agent or, following issuance of Securities, holders of a majority of the aggregate principal amount or number of Securities of each class then outstanding.

(j) Transactions w ith Affiliates . From the date of this Agreement until the first date following the Closing Date on which no Securities are outstanding, the Company shall not, and shall cause each of its Subsidiaries not to, without the prior written consent of the holders of a majority in principal amount or number of each class of outstanding obligation or Security , enter into, amend, modify or supplement any transaction, contract, agreement, instrument, commitment, understanding or other arrangement with any of its or any Subsidiary ' s officers, directors, person s who were officers or directors at any time during the previous two years, stockholders, or Affiliates of the Company or any of its Subsidiaries, or with any individual related by blood, marriage or adoption to any such individual or with any entity in which any such entity or individual owns a beneficial interest (each a " Related Party "), except for customary employment arrangements and benefit programs on reasonable terms. " Affiliate " for purposes hereof means any person who is an " affiliate " as defined in Rule 12b-2 of the General Rules and Regulations under the 1934 Act.

(k) Stockholder Approval . If at any time following the Closing Date (the " Stockholder Approval Triggering Date "), the sum of (i) the number of Shares and other Securities

previously issued by the Company, plus (ii) the remaining number of Securities into which the outstanding Securities are then convertible, exchangeable or exercisable (without regard to any limitation), is greater than fifty percent (50%) of the any exchange or issuance cap applicable by the Principal Market, then upon the request of the holders of at least a majority of amount or number of any class of Securities outstanding, the Company shall solicit approval by the Company ' s stockholders of the Company ' s issuance of all of the Securities, as set forth in the Transaction Documents in accordance with the rules and regulations applicable to companies with securities listed on the Principal Market (such approval being referred to herein as " Stockholder Approval "), with the recommendation of the Board of Directors that such proposal be approved. The Company shall file with the SEC a preliminary version of the proxy statement to be provided by the Company to its stockholders in connection with soliciting Stockholder Approval as soon as possible, but in no event later than twenty (20) days after the Stockholder Approval Triggering Date (the " Proxy Statement Filing Due Date "), and each Investor, as well as one counsel selected by the holders of a majority of the aggregate principal amount or number of each class of Security then outstanding, shall be entitled to review, prior to filing with the SEC, such proxy statement, which shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Company shall hold a meeting of its stockholders as soon as possible but in no event later than sixty (60) days after the Stockholder Approval Triggering Date (the " Stockholder Meeting Deadline "). If the Company fails to file the proxy statement referred to above by the Proxy Statement Filing Due Date or fails to hold a meeting of its stockholders by the Stockholder Meeting Deadline, then, as partial relief (which remedy shall not be exclusive of any other remedies available at law or in equity), the Company shall pay to each holder of each class of Security then outstanding an amount in cash equal to the product of (i) the aggregate principal or subscription amount of all Securities held by such holder, multiplied by (ii).02 multiplied by (iii) the quotient of (x) the sum of (A) the number of days after the Proxy Statement Filing Due Date and prior to the date that the proxy statement referred to above is filed with the SEC and (B) the number of days after the Stockholder Meeting Deadline and prior to the date that a meeting of the Company ' s stockholders is held, divided by (y) 30. The Company shall make the payments referred to in the immediately preceding sentence within five (5) days of the earlier of (I) the filing of the proxy statement or the holding of the meeting of the Company ' s stockholders, the failure of which resulted in the requirement to make such payments, and (II) the last day of each 30-day period beginning on the Proxy Statement Filing Due date or the Stockholder Meeting Deadline, as the case may be. In the event the Company fails to make such payments in a timely manner, such payments shall bear interest at the rate of 2.0% per month (pro rated for partial months) until paid in full.

(l) Pledge of Securities . The Company acknowledges and agrees that the Securities may be pledged by an Investor (as defined in the Registration Rights Agreement) in connection with a bona fide margin agreement or other loan secured by the Securities. To the extent provided by applicable law, the pledge of Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder, and no Investor effecting any such pledge of Securities shall be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any other Transaction Document, including Section 2(f) of this Agreement; provided that an Investor and its pledgee shall be required to comply with the provisions of Section 2(f) in order to effect a sale, transfer or assignment of Securities to such pledgee. The Company hereby agrees to execute and deliver such documentation as a pledgee of the Securities may reasonably request in connection with a pledge of the Securities to such pledgee by an Investor.

(m) Director s . On the initial Closing Date, Parent shall expand the Board of Directors of Parent to 11 directors. Concurrently therewith, the initial Investor will nominate five persons to be appointed to and serve on the Board of Directors. . Upon such nomination, the incumbent members of the Board of Directors (who shall remain on the Board of Directors) shall appoint each such nominee to fill the newly created vacancies.

(n) Series D Preferred Securities . The Company will not amend or modify the Series D Securities without the prior written consent of the Collateral Agent.

(o)

No Inconsistent Agreement or Actions . From the date of this Agreement until the first date following the Closing Date on which no Securities are outstanding, the Company and its Subsidiaries shall not enter into any contract, agreement or understanding which limit or restrict the Company ' s or any of its Subsidiaries ' ability to perform under, or take any other voluntary action to avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by it under, this Agreement or any of the other Transaction Documents.

(p) Compliance with Covenants . From the date of this Agreement until the first date following the Closing Date on which no Securities are outstanding, the Company shall comply with and not violate or breach, and shall cause the Subsidiaries, as applicable, to comply with and not violate or breach, the covenant s or agreements set forth in any Transaction Document, such provisions being incorporated herein and made a part hereof

5. Transfer Agent Instructions.

The Company shall issue irrevocable instructions to its transfer agent in form requested by the Collateral Agent (the " Irrevocable Transfer Agent Instructions "), and any subsequent transfer agent, to issue certificates or credit shares to the applicable balance accounts at the Depository Trust Company (" DTC "), registered in the name of each Investor or its respective nominee(s), for Securities in such amounts as specified from time to time by each Investor to the Company upon conversion or exercise of any Securities. Prior to registration of Securities under the 1933 Act, all such certificates shall bear the restrictive legend specified in Section 2(g). The Company warrants that no instruction other than the Irrevocable Transfer Agent Instructions referred to in this Section 5 and stop transfer instructions to give effect to Section 2(f) and Section 2(g) (in the case of Securities to be registered, prior to registration of the Securities under the 1933 Act) will be given by the Company to its transfer agent and that the Securities shall otherwise be freely transferable on the books and records of the Company as and to the extent provided in this Agreement and the Registration Rights Agreement. If anInvestor provides the Company with an opinion of counsel, in a generally acceptable form, to the effect that a public sale, assignment or transfer of the Securities may be made without registration under the 1933 Act or Investor provides the Company with reasonable assurance that the Securities can be sold pursuant to Rule 144 without any restriction as to the number of securities acquired as of a particular date that can then be immediately sold, the Company shall permit the transfer and, in the case of to-be-issued Securities, promptly instruct its transfer agent to issue one or more certificates or credit shares to the applicable balance accounts at DTC in such name and in such denominations as specified by such Investor and without any restrictive legend. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to Investors by vitiating the intent and purpose of the transactions contemplated hereby. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section 5 will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section 5, that Investors shall be entitled, in addition to all other available remedies, to an order and/or injunction restraining any breach and requiring immediate issuance and transfer, without the necessity of showing economic loss and without any bond or other security being required.

6. Conditions to the Company ' s Obligation to Issue Securities .

(a) Closing Date . The obligation of the Company to issue and sell the Securities to each Investor at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Company ' s sole benefit and may be waived by th e Company at any time in its sole discretion by providing each Investor participating in such Closing with prior written notice thereof:

(i) With respect to the initial Closing, the Company and the holders of Series D shall have entered into an estoppel agreement relating to the Series D and the Series F and Series G warrants issued or issuable in connection therewith to the same holders (together, the " Series D Securities ") confirming that the Series D Securities are in good standing and that the Company is not in default (and will not be in default after the initial Closing) thereunder, provided that the Company and the holders will acknowledge accrued and unpaid dividends thereon, and acknowledging the Company ' s

and such holders ' agreement to negotiate in good faith mutually acceptable terms for the amendment and redemption of the Series D.

(ii) Such Investor shall have executed each of the respective Transaction Documents to which it is a party and delivered the same to the Company.

(iii) Such Investor shall have delivered to the Company any consideration required under the respective Transaction Documents (less any amount withheld pursuant to Section 4(h)) at the Closing (in the case of cash payments, by wire transfer of immediately available funds pursuant to the wire instructions provided by the Company) .

(iv) The representations and warranties of such Investor shall be true and correct as of the date when made and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such date), and such Investor shall have performed, satisfied and complied with the covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by such Investor at or prior to the Closing Date.

7. Conditions to Each Investor ' s Obligation to Purchase .

(a) Closing Date . The obligation of each Investor hereunder to provide consideration at a Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for each Investor ' s sole benefit and may be waived only by such Investor at any time in its sole discretion by providing the Company with prior written notice thereof:

(i) With respect to the initial Closing, the Company and the holders of Series D shall have entered into an estoppel agreement relating to the Series D Securities confirming that the Series D Securities are in good standing and that the Company is not in default (and will not be in default after the initial Closing) thereunder, provided that the Company and the holders will acknowledge accrued and unpaid dividends thereon, and acknowledging the Company ' s and such holders ' agreement to negotiate in good faith mutually acceptable terms for the amendment and redemption of the Series D .

(ii) Each of the Company and its Subsidiaries shall have executed each of the Transaction Documents to which it is a party and delivered the same to such Investor .

(iii) The representations and warranties of the Company shall be true and correct as of the date when made and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such date), and the Company and its Subsidiaries shall have performed, satisfied and complied with the covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by the Company or any of its Subsidiaries at or prior to the Closing Date. Such Investor shall have received a certificate, executed by the Chief Executive Officer of the Company, dated as of the Closing Date, to the foregoing effect and as to such other matters as may be reasonably requested by such Investor , including an update as of the Closing Date of the representations contained in Section 3(b) above.

(iv) Such Investor shall have received such opinions of counsel in form and substance and from such law firms as shall be acceptable to the Collateral Agent, dated as of the Closing Date, which opinions will address, among other things,

laws of the States of California and Nevada applicable to the transactions contemplated by the Transaction Documents.

(v) The Company shall have executed and delivered to such Investor the any instruments or certificates (in such denominations as such Investor shall request) for any Securities being purchased by such Investor at the Closing.

(vi) The Board of Directors shall have adopted resolutions consistent with Section s 3(b) and 4(m) above and in a form reasonably acceptable to the Collateral Agent (the " Resolutions ").

(vii) As of the Closing Date, the Company shall have reserved out of its authorized and unissued Common Stock sufficient shares of Common Stock.

(viii) The Irrevocable Transfer Agent Instructions shall have been delivered to and acknowledged in writing by the Company ' s transfer agent, and the Company shall have delivered a copy thereof to such Investor .

(ix) The Company shall have delivered to such Investor certificates of good standing for the Company and each Guarantor, in each case dated as of a date within five (5) days of the Closing Date.

(x) The Company shall have delivered to such Investor a secretary ' s certificate, dated as of the Closing Date, certifying (A) that the attached Resolutions are true, complete and correct and remain un - amended and in full force and effect, (B) as to the Certificate of Incorporation of the Company, certified as of a date within five (5) days of the Closing Date, by the Secretary of State of the State of Delaware, (C) that the Bylaws of the Company are true, complete and correct and remain un - amended and in full force and effect and (D) as to the incumbency and specimen signature of each officer of the Company executing this Agreement, the other Transaction Documents and any other document delivered in connection herewith on behalf of the Company.

(xi) Each Guarantor shall have delivered to such Investor a secretary ' s certificate, dated as of the Closing Date, certifying (A) that the attached resolutions of the board of directors of such Guarantor approving each Transaction Document to which such Guarantor is a party and the transactions contemplated thereby are true, complete and correct and remain un - amended and in full force and effect, (B) that the attached organizational documents and bylaws of such Guarantor are true, complete and correct and remain un - amended and in full force and effect and (C) as to the incumbency and specimen signature of each officer of such Guarantor executing each Transaction Documents to which it is a party and any other document delivered in connection herewith on behalf of such Guarantor.

(xii) The Company shall have made all filings under all applicable federal and state securities laws necessary to consummate the issuance of the Securities pursuant to this Agreement in compliance with such laws to the extent such filings must be made on or prior to the Closing Date.

(xiii) The Company shall have delivered to such Investor a letter from the Company ' s transfer agent certifying the number of shares of Common Stock outstanding as of a date within five (5) days of the Closing Date.

(xiv) Parent shall have delivered and pledged to the Collateral Agent all outstanding equity interests of any Subsidiaries (including HRS) and each Subsidiary shall have delivered and pledged to the Collateral Agent any and all securities, i nstruments, n egotiable d ocuments, and c hattel p aper (each of the foregoing terms, as

defined in the Uniform Commercial Code), duly endorsed and/or accompanied by such instruments of assignment and transfer executed by the Company in such form and substance as the Collateral Agent may request.

(xv) The Company and its Subsidiaries shall have given, executed, delivered, filed and/or recorded any financing statements, notices, instruments, documents, agreements and other papers that may be necessary or desirable (in the reasonable judgment of such Investor) to create, preserve, perfect or validate the security interest granted to such Investor pursuant to the Collateral Agreement and to enable such Investor to exercise and enforce its rights with respect to such security interest.

(xvi) The Company shall not have made any public announcement regarding the transactions contemplated by the respective Transaction Documents prior to the Closing.

(xvii) The Company and its Subsidiaries shall have delivered to such Investor such other standard and customary documents relating to the transactions contemplated by this Agreement as such Investor or its counsel may reasonably request.

(xviii) With respect to the initial Closing, t he closing of the transactions contemplated by the APA (including the Acquisition Transaction and HRS ' s acquisition of the Business) shall have occurred or shall occur simultaneously with the Closing in accordance with the terms of the APA .

8. Indemnification .

(a) In consideration of each Investor ' s execution and delivery of the Transaction Documents , providing any consideration and acquiring any Securities thereunder and in addition to all of the Company ' s other obligations under the Transaction Documents, the Company shall defend, protect, indemnify and hold harmless each Investor and each other holder of the Securities and all of their stockholders, partners, officers, directors, members, managers, employees and direct or indirect investors and any of the foregoing person s ' agents or other representatives (including those retained in connection with the transactions contemplated by this Agreement) (collectively, the " Indemnitees ") from and against any and all actions, causes of action, suits, claims, losses, costs, diminution in value, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys ' fees and disbursements (the " Indemnified Liabilities "), incurred by any Indemnitees as a result of, or arising out of, or relating to (a) any misrepresentation or breach of any representation or warranty made by the Company in the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, (b) any breach of any covenant, agreement or obligation of the Company contained in the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby or (c) any cause of action, suit or claim brought by, or made against, such Indemnitees and arising out of or resulting from the execution, delivery, performance or enforcement of the Transaction Documents in accordance with the terms thereof or any other certificate, instrument or document contemplated hereby or thereby in accordance with the terms thereof. To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities that is permissible under applicable law.

(b) Promptly after receipt by an Indemnitee under this Section 8 of notice of the commencement of any Claim (including any governmental action or proceeding) against such Indemnitee in respect of which indemnity may be sought from the Company under this Section 8 , such Indemnitee shall deliver to the Company a written notice of the commencement thereof, and the Company shall have the right to participate in, and, to the extent the Company so desires, to assume control of the defense thereof with counsel mutually satisfactory t o the Company and the Indemnitee. In any such proceeding, any Indemnitee may retain its own counsel, but, except as provided in the following sentence, the fees and expenses of that counsel will be at the expense of that Indemnitee, unless (i) the Company and

the Indemnitee shall have mutually agreed to the retention of that counsel, (ii) the Company does not assume the defense of such proceeding in a timely manner or (iii) in the reasonable opinion of counsel retained by the Company, the representation by such counsel for the Indemnitee and the Company would be inappropriate due to actual or potential differing interests between such Indemniteeand any other party represented by such counsel in such proceeding. The Company shall pay reasonable fees for up to one separate legal counsel for Investors of each class of Security or providing other consideration, and such legal counsel shall be selected by Investors holding a majority in principal amount or number of the respective class of Security or the aggregate amount of other consideration. The Indemnitee shall cooperate reasonably with the Company in connection with any negotiation or defense of any such action or Claim by the Company and shall furnish to the Company all information reasonably available to the Indemnitee which relates to such action or Claim. The Company shall keep the Indemnitee fully apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. The Company shall not be liable for any settlement of any action, claim or proceeding effected without its prior written consent, provided, however, that the Company shall not unreasonably withhold, delay or condition its consent. The Company shall not, without the prior written consent of the Indemnitee, consent to entry of any judgment or enter into any settlement or other compromise with respect to any pending or threatened action or claim in respect of which indemnification or contribution may be or has been sought hereunder (whether or not the Indemnitee is an actual or potential party to such action or claim) which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnitee of a release from all liability in respect to such Claim or litigation. Following indemnification as provided for hereunder, the Company shall be subrogated to all rights of the Indemnitee with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the Company within a reasonable time of the commencement of any such action shall not relieve the Company of any liability to the Indemnitee under this Section 8, except to the extent that the Company is prejudiced in its ability to defend such action.

(c) The indemnification required by this Section 8 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Liabilities are incurred.

(d) The indemnity agreements contained herein shall be in addition to (i) any cause of action or similar right of the Indemnitee against the Company or others, and (ii) any liabilities the Company may be subject to pursuant to the law.

9. Appointment of Collateral Agent .

(a) Appointment . Each Investor hereby irrevocably designates and appoints ETI Partners IV LLC, a Delaware limited liability company (the " Collateral Agent ") as the agent of such Investor under this Agreement and the other Transaction Documents, and each such Investor irrevocably authorizes the Collateral Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Transaction Documents and to exercise such powers and perform such duties as are expressly delegated to the Collateral Agent by the terms of this Agreement and the other Transaction Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Collateral Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Investor , and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into thi s Agreement or any other Transaction Document or otherwise exist against the Collateral Agent.

(b) Delegation of Duties . The Collateral Agent may execute any of its duties under this Agreement and the other Transaction Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Collateral Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

(c) Exculpatory Provisions . Neither the Collateral Agent nor any of its respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any

action lawfully taken or omitted to be taken by it or such person under or in connection with this Agreement or any other Transaction Document (except to the extent that any of the foregoing are found by a final and non-appealable decision of a court of competent jurisdiction to have resulted from its or such person ' s own gross negligence or willful misconduct) or (ii) responsible in any manner to any of Investors for any recitals, statements, representations or warranties made by the Company, the Guarantors or any officer thereof contained in this Agreement or any other Transaction Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Collateral Agent under or in connection with, this Agreement or any other Transaction Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Transaction Document or for any failure of the Company or any Guarantors that is a party thereto to perform its obligations hereunder or thereunder. The Collateral Agent shall not be under any obligation to any Investor to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Transaction Document, or to inspect the properties, books or records of the Company or the Guarantors.

(d) Reliance by Agents . The Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper person or person s and upon advice and statements of legal counsel (including counsel to the Company), independent accountants and other experts selected by the Collateral Agent. The Collateral Agent (as defined in the Collateral Agreement) may deem and treat the payee of any obligation as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Collateral Agent.

(e) Notice of Default . The Collateral Agent shall not be deemed to have knowledge or notice of the occurrence of any default or e vent of d efault under any Transaction Document unless the Collateral Agent has received notice from an Investor or the Company referring to this Agreement, describing such default or e vent of d efault and stating that such notice is a " notice of default. " In the event that the Collateral Agent receives such a notice, the Collateral Agent shall give notice thereof to Investor s. The Collateral Agent shall take such action with respect to such default or e vent of d efault as shall be reasonably directed by Investor s holding a majority of the aggregate principal amount or number of Securities of the respective class or having provided and holding a majority of consideration of a class on the date of the e vent of d efault; provided that unless and until the Collateral Agent shall have received such directions, the Collateral Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such d efault or event of default as it shall deem advisable in the best interests of Investor s. For clarification purposes, this provision constitutes a separate right granted to each Investor and is not intended for the Company to treat Investor s as a class and shall not be construed in any way as Investor s acting in concert or otherwise as a group with respect to the purchase, disposition or voting of securities or otherwise.

(f) Non-Reliance on Agents and Other Investor s . Each Investor expressly acknowledges that neither the Collateral Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by the Collateral Agent hereafter taken, including any review of the affairs of the Company, the Guarantors or any of their respective affiliates, shall be deemed to constitute any representation or warranty by the Collateral Agent to any Investor . Each Investor represents to the Collateral Agent that it has, independently and without reliance upon the Collateral Agent or any other Investor , and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and credit worthiness of the Company and the Guarantors and their respective affiliates and made its own decision to provide consideration or purchase Securities hereunder and enter into this Agreement. Each Investor also represents that it will, independently and without reliance upon the Collateral Agent or any other Investor , and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Transaction Documents, and to make such investigation as it deems necessary to inform itself as to the

business, operations, property, financial and other condition and credit worthiness of the Company, the Guarantors and their respective affiliates. Except for notices, reports and other documents expressly required to be furnished to Investors by the Collateral Agent hereunder, the Collateral Agent shall not have any duty or responsibility to provide any Investor with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or credit worthiness of the Company, the Guarantors or any of their respective affiliates that may come into the possession of the Collateral Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

(g) Indemnification . Each Investor agrees to indemnify the Collateral Agent in its capacity as such (to the extent not reimbursed by the Company and without limiting the obligation of the Company to do so), ratably according to the amount of consideration paid or provided by such Investor with respect to Securities or other positions then held by such Investor (its respective " Allocation Percentage ") in effect on the date on which indemnification is sought under this Section 9 , from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of obligations to Investors) be imposed on, incurred by or asserted against the Collateral Agent in any way relating to or arising out of, this Agreement, any of the other Transaction Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Collateral Agent under or in connection with any of the foregoing; provided that no Investor shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and non - appealable decision of a court of competent jurisdiction to have resulted from the Collateral Agent ' s gross negligence or willful misconduct. The agreements in this Section 9 shall survive the termination of this Agreement and the conversion, redemption or repayment of the any obligations to Investors and all other amounts payable hereunder.

(h) Agent in Its Individual Capacity . The Collateral Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Company or the Guarantors as though the Collateral Agent was not the Collateral Agent. With respect to any Securities or other obligations held by it, the Collateral Agent shall have the same rights and powers under this Agreement and the other Transaction Documents as any Investor and may exercise the same as though it were not an Agent, and the terms " Investor " and " Investor s " shall include the Collateral Agent in its individual capacity.

(i) Successor Collateral Agent . The Collateral Agent may resign as Collateral Agent upon 10 days ' notice to Investor s and the Company. If the Collateral Agent shall resign as Collateral Agent under this Agreement and the other Transaction Documents, then Investor s holding a majority of the aggregate principal amount of the most senior class of outstanding Company indebtedness held by Investors on the date of such resignation shall appoint from among Investor s (or at the option of Investor s holding a majority of the aggregate principal amount of the most senior class of outstanding Company indebtedness held by Investors , appoint a third party a Successor Collateral Agent acceptable to such Investor s) a successor agent for Investor s, whereupon such successor agent shall succeed to the rights, powers and duties of the Collateral Agent, and the term " Collateral Agent " shall mean such successor agent effective upon such appointment and approval, and the former Collateral Agent ' s rights, powers and duties as Collateral Agent shall be terminated, without any other or further act or deed on the part of such former Collateral Agent or any of the parties to this Agreement or any holder. If no successor agent has accepted appointment as Collateral Agent by the date that is 10 days following a retiring Collateral Agent ' s notice of resignation, the retiring Collateral Agent ' s resignation shall nevertheless thereupon become effective and Investor s holding a majority of the aggregate principal amount of the most senior class of outstanding Company indebtedness held by Investors on the date of such resignation shall assume and perform all of the duties of the Collateral Agent hereunder until such time, if any, as such Investor s appoint a successor agent as provided for above. After any retiring Collateral Agent ' s resignation as Collateral Agent, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Collateral Agent under this Agreement and the other Transaction Documents.

(j)

Agents Generally . Except as expressly set forth herein, the Collateral Agent shall not have any duties or responsibilities hereunder in its capacity as such.

10. Governing Law; Miscellaneous .

(a) Governing Law; Arbitration; Jurisdiction . All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall , in accordance with Section 5 1401 of the New York General Obligations Law, be governed by the internal laws of the State of New York , without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York . Any dispute between the parties under or related to any Transaction Agreement shall be submitted to confidential arbitration pursuant to the expedited commercial arbitration rules of Pan Pacific Arbitration. The venue of any such arbitration shall be Los Angeles County, California. Each party hereby irrevocably waives personal service of process and consents to process being served in any such proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, THAT A COURT HEAR ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT , ANY TRANSACTION DOCUMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY .

(b) Counterparts . This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party; provided that a facsimile signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile signature.

(c) Headings . The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

(d) Severability . If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

(e) Entire Agreement; Amendments . This Agreement supersedes all other prior oral or written agreements between the parties hereto with respect to the matters discussed herein, and this Agreement and the instruments referenced herein contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor any Investor makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be amended other than by an instrument in writing signed by the Company and Investor s holding a majority of the aggregate principal amount or number of outstanding Company indebtedness or Securities held by Investorsof each affected class as of the date of any such proposed amendment, or if prior to a Closing, by Investor s listed on the Schedule of Investor s as being obligated to purchase at least a majority of the aggregate principal amount or number of indebtedness, obligation or Security in such Closing . Any such amendment shall bind all holders of the respective class . No such amendment shall be effective to the extent that it applies to less than all of the holders of a class then outstanding. No consideration shall be offered or paid to any person to amend or consent to a waiver or modification of any provision of any of the Transaction Documents unless the same consideration also is offered to all of the parties to the Transaction Documents or holders of the class , as the case may be.

(f) Notices . Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by

facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) one (1) Business Day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

Probe Manufacturing, Inc.150 E. Baker StreetCosta Mesa, CA 92626Attention: President

If to the Collateral Agent:

ETI Partners IV LLC
c/o Energy Technology Innovations, Inc.1201 Abbott Kinney Boulevard
Venice, CA 90291Attention: MeddySahebi

If to the Transfer Agent:

Colonial Stock Transfer Co, Inc.
66 Exchange Place, Suite 100
Salt Lake City, UT 84111Facsimile: +1.801.355.6505 Attention: Jason Carter

If to anInvestor, to it at the address and facsimile number set forth on the Schedule of Investors , with copies to such Investor ' s representatives as set forth on the Schedule of Investors , or, in the case of anInvestor or any other party named above, at such other address and/or facsimile number and/or to the attention of such other person as the recipient party has specified by written notice given to each other party in accordance with this Section 10(f) five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender ' s facsimile machine containing the time, date, recipient facsimile number and an image of the first page of such transmission or (C) provided by a nationally recognized overnight delivery service shall be rebuttable evidence of personal service, receipt by facsimile or deposit with a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

(g) Successors and Assigns . This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, including any assignees of Investors . The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the holders of at least a majority of each class of obligation and Security then outstanding, including by merger , consolidation or operation of law . A Investor may assign some or all of its rights hereunder without the consent of the Company; provided, however, that any such assignment shall not release such Investor from its obligations hereunder unless such obligations are assumed by such assignee and the Company has consented to such assignment and assumption, which consent shall not be unreasonably withheld. Notwithstanding anything to the contrary contained in the Transaction Documents, Investor s shall be entitled to pledge the Securities in connection with a bona fide margin account or other loan or financing arrangement secured by the Securities.

(h) No Third-Party Beneficiaries . This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns and, to the extent provided in Section 8 hereof, each Indemnitee , and is not for the benefit of, nor may any provision hereof be enforced by, any other person .

(i)

Survival . Unless this Agreement is terminated under Section 10(k), the representations and warranties of the Company and Investors contained in Sections 2 and 3, the agreements and covenants set forth in Sections 4, 5 and 10, and the indemnification provisions set forth in Section 8, shall survive the Closing. Each Investor shall be responsible only for its own representations, warranties, agreements and covenants hereunder.

(j) Further Assurances . Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) Termination . In the event that the Closing shall not have occurred with respect to a n Investor on or before the fifth (5th) Business Day following the date of this Agreement or the respective Transaction Document relating to such Investor ' s Closing due to the Company ' s or such Investor ' s failure to satisfy the conditions set forth in Sections 6(a) and 7(a) above (and the non-breaching party ' s failure to waive such unsatisfied condition(s)), the non-breaching party shall have the option to terminate this Agreement with respect to such breaching party at the close of business on such date without liability of any party to any other party; provided, however, that if this Agreement is terminated pursuant to this Section 10(k) , the Company shall be obligated to pay each Investor (so long as such Investor is not a breaching party) its fees, costs and expenses (including all legal fees and expenses) incurred in connection with its due diligence review of the Company and the negotiation and preparation of the Transaction Documents.

(l) No Strict Construction . The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

(m) Remedies . Each Investor and each holder of Securities shall have all rights and remedies set forth in the Transaction Documents and all rights and remedies that such Investor s and holders have been granted at any time under any other agreement or contract and all of the rights that such Investor s and holders have under any law. Any person having any rights under any provision of this Agreement shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce such rights specifically (without posting a bond or other security or proving actual damages), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law.

(n) Payment Set Aside . To the extent that the Company makes a payment or payments to Investor s hereunder or pursuant to the Registration Rights Agreement or any Transaction Document or Investor s enforce or exercise their rights hereunder or thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, by a trustee, receiver or any other person under any law (including any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

(o) Independent Nature of Investor s . The obligations of each Investor hereunder are several and not joint with the obligations of any other Investor , and no Investor shall be responsible in any way for the performance of the obligations of any other Investor hereunder. Each Investor shall be responsible only for its own representations, warranties, agreements and covenants hereunder. The decision of each Investor to provide any consideration for any purpose in connection with any Closing pursuant to this Agreement has been made by such Investor independently of any other Investor and independently of any information, materials, statements or opinions as to the business, affairs, operations, assets, properties, liabilities, results of operations, condition (financial or otherwise) or prospects of the Company or any of its Subsidiaries which may have been made or given by any other

Investor or by any agent or employee of any other Investor, and no Investor or any of its agents or employees shall have any liability to any other Investor (or any other person or entity) relating to or arising from any such information, materials, statements or opinions. Nothing contained herein, and no action taken by any Investor pursuant hereto or thereto, shall be deemed to constitute Investors as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that Investors are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated hereby. Each Investor shall be entitled to independently protect and enforce its rights, including the rights arising out of this Agreement, any Transaction Document or any Security, and it shall not be necessary for any other Investor to be joined as an additional party in any proceeding for such purpose.

(p) Interpretative Matters . Unless the context otherwise requires, (a) all references to Sections, Schedules or Exhibits are to Sections, Schedules or Exhibits contained in or attached to this Agreement, (b) each accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with GAAP, (c) references to " person " shall include entities and other customarily recognized legal persons , including Governmental Entities ; (d) words in the singular or plural include the singular and plural and pronouns stated in either the masculine, the feminine or neuter gender shall include the masculine, feminine and neuter and (e) the use of the word " including " in this Agreement shall be by way of example rather than limitation.

* * * * * *

IN WITNESS WHEREOF, the initial Investors, the Collateral Agent and the Company have caused this Transaction Completion and Financing Agreement to be duly executed as of the date first written above.

" **Parent** "

Probe Manufacturing, Inc.

By
Name:
Title:

" **HRS** "

Clean Energy HRS LLC

By
Name:
Title:

" **Collateral Agent** "

ETI Partners IV LLC

By
Name:
Title:

LOAN, GUARANTEE, AND COLLATERAL AGREEMENT

made by

PROBE MANUFACTURING, INC., CLEAN ENERGY HRS LLC

and

THE OTHER BORROWERS FROM TIME TO TIME PARTY HERETO

in favor of

ETI PARTNERS IV LLCas Collateral Agent

Dated as of September 11, 2015

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SCHEDULES

ANNEXES

LOAN, GUARANTEE, AND COLLATERAL AGREEMENT, dated as of September 11, 2015 (as amended, supplemented or otherwise modified from time to time, this " Agreement ") by and among Probe Manufacturing, Inc., a Nevada corporation (" Parent "), Clean Energy HRS LLC, a California limited liability company (" CEHRS , " and together with Parent, the " Company "), and each of the other Guarantors (as defined below) in favor of ETI Partners IV LLC, a Delaware limited liability company, in its capacity as collateral agent pursuant to the TC&F Agreement (as defined below) and this Agreement (in such capacity, together with its successors and assigns, the " Collateral Agent "), for the benefit of the Collateral Agent and the other Secured Parties (as defined below).

W I T N E S S E T H :

WHEREAS, pursuant to the Transaction Completion and Financing Agreement, dated as of September 11, 2015 (as amended, supplemented or otherwise modified from time to time, the " TC&F Agreement ") by and among the Company, the several investors from time to time party thereto (the " Investors ") and the Collateral Agent, the Company has requested the Collateral Agent ' s assistance in satisfying the Financial Conditions (as defined in the TC&F Agreement) for the specific purposes of enabling the Company to complete the Acquisition Transaction (as defined in the TC&F Agreement), helping the Company restructure its current indebtedness, helping the Company acquire needed director, management, marketing, sales and related support and resources and providing a capital resource for the Company following the completion of the Asset Acquisition as provided above;

WHEREAS Parent has proposed that Parent issue to the Collateral Agent a seventy percent (70%) stake in Parent to induce the Collateral Agent to participate with the Company in helping the Company satisfy the Financial Conditions in such a manner that facilitates completion of the Acquisition Transaction and assists the Company in acquiring such other assistance, support, and resources;

WHEREAS the Company represents that the Seller ' s Financial Conditions will have been satisfied upon completion of the Acquisition Transaction (acquisition of the Business by HRS) and that there shall be no continuing Seller Financial Conditions following completion of the Acquisition Transaction, enabling the stockholders, directors and management of the Company to determine the optimal financing plan for the Company on a prospective basis;

WHEREAS the Company and the Collateral Agent wish by the TC&F Agreement and this Agreement both to facilitate the completion of the Acquisition Transaction and also to set forth the framework in which the Company, with the Collateral Agent ' s participation and support as a major stockholder in Parent, may obtain from Investors the initial financing required for completion of the Acquisition Transaction and the prospective financing required for anticipated operation of the Company and may obtain additional support and resources needed by the Company following completion of the Acquisition Transaction;

WHEREAS Investors, as they may be identified from time to time, will severally and not jointly provide to the Company various loans, investment or other financial accommodation in such forms as are agreed between Investors and the Company (" Financing ") upon the framework set forth in the TC&F Agreement and this Agreement and upon the terms and conditions to be set forth in supplemental agreements and security documents (together with the TC&F Agreement and this Agreement, the " Financing Documents ");

WHEREAS the Company is a member of an affiliated group of companies that includes each of the Guarantors (together with the entities constituting the Company, the " Borrowers ");

WHEREAS the Borrowers are engaged in related businesses, and each Borrower will derive substantial direct and indirect benefit from the Financing provided under the Financing Documents; and

WHEREAS it is a condition to the obligation of the initial Investor and the Collateral Agent to enter into the TC&F Agreement and acquire the Shares thereunder and to the obligation of Investors to provide Financing that the Borrowers shall have executed and delivered this Agreement.

NOW, THEREFORE, in consideration of the premises and to induce the Collateral Agent and the initial Investor to enter into the TC&F Agreement and acquire the Shares and to Investors to provide Financing, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, each Borrower hereby agrees with the Collateral Agent, for the benefit of the Collateral Agent and the other Secured Parties, as follows:

SECTION 1 DEFINED TERMS

1.1 Definitions .

(a) Unless otherwise defined herein, terms defined or whose usage is designated in the TC&F Agreement and used herein shall have the meanings given to or designated for them in the TC&F Agreement.

(b) The following terms which are defined in the Uniform Commercial Code in effect in the State of New York on the date hereof are used herein as so defined: Accounts, Certificated Security, Chattel Paper, Commercial Tort Claim, Commodity Account, Deposit Account, Documents, Electronic Chattel Paper, Equipment, Fixtures, General Intangibles, Goods, Instruments, Inventory, Investment Property, Letter-of-Credit Rights, Proceeds, Promissory Note, Security, Securities Account, and Supporting Obligations.

(c) The following terms, in addition to those terms defined elsewhere in this Agreement, shall have the following meanings:

" Borrowing Base " : as at any date, as reflected in a Borrowing Base Certificate, the sum of (a) 80% (or such other percentage as the Majority Investors shall, in their discretion, specify to Parent (through the Collateral Agent) as being appropriate for these purposes) of the aggregate amount of Eligible Receivables at that date plus (b) 50% (or such other percentage as the Majority Investors shall, in their discretion, specify to Parent (through the Collateral Agent) as being appropriate for these purposes) of the aggregate value of Eligible Inventory at that date minus (c) an amount equal to two times the average aggregate monthly commissions or processing fees payable to bailees, warehousemen, terminal operators, Processors (as defined in the definition of " Eligible Inventory ") or other third parties holding Inventory during the period of two fiscal quarters of Parent most recently ended on or before that date, provided that in no event shall the portion of the Borrowing Base (calculated before giving effect to clause (a) of this definition) attributable to Eligible Inventory exceed 60% of the Borrowing Base (so calculated) and the Borrowing Base shall be reduced to the extent such portion would otherwise exceed 60% minus (d) the aggregate amount of any other obligations of Borrowers that are pari passu with Obligations at that date. The " value " of Eligible Inventory shall be determined at the lower of cost or market in accordance with GAAP, except that cost shall be determined on a first-in, first-out basis.

" Borrowing Base Certificate " : a certificate of the chief financial officer of Parent, in form and substance acceptable to the Majority Investors and appropriately completed and signed.

" Capital Stock " : any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

" Cash Flow " : for any period, the sum, for the Company and its Consolidated Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP), of the following: (a) net operating income (calculated before taxes, Interest Expense, extraordinary and unusual items and

income or loss attributable to equity in Affiliates) for such period plus (b) depreciation and amortization (to the extent deducted in determining net operating income) for such period minus (c) Capital Expenditures made during such period to the extent not exceeding the amount permitted to be made during such period.

" Casualty Event " : with respect to any Property of any Person, any loss of or damage to, or any condemnation or other taking of, such Property for which such Person or any of its Subsidiaries receives insurance proceeds, or proceeds of a condemnation award or other compensation.

" Collateral Account " : any collateral account established by the Collateral Agent as provided in Section 6.1 or 6.4 herein.

" Company Obligations " : the collective reference to each Obligation of Borrowers to the Collateral Agent or any other Secured Party arising under, out of, or in connection with any Transaction Document, or any other document made, delivered or given in connection therewith.

" Consolidated Subsidiary " : shall mean, for any Person, each Subsidiary of such Person (whether now existing or hereafter created or acquired) the financial statements of which shall be (or should have been) consolidated with the financial statements of such Person in accordance with GAAP.

" Copyright Licenses " : any written agreements providing for the grant by or to any Borrower of any right under any Copyright, including any of the foregoing referred to in Schedule 5.7 .

" Copyrights " : (i) all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished (including those listed in Schedule 5.7), all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Copyright Office, and (ii) the right to obtain all renewals thereof.

" Credit Termination Date " : December 31, 2017 or such earlier date that is stated to be a maturity date of any particular Loan.

" Debt Service " : for any period, the sum, for Parent and its Consolidated Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP), of the following: (a) all payments of principal of Indebtedness scheduled to be made during such period plus (b) all Interest Expense for such period.

" Default " : an Event of Default or an event that with notice or lapse of time or both would become an Event of Default.

" Disposition " : any sale, assignment, transfer or other disposition of any Property (whether now owned or hereafter acquired) by the Company or any of its Subsidiaries to any Person excluding any sale, assignment, transfer or other disposition of any Property sold or disposed of in the ordinary course of business and on ordinary business terms.

" Disregarded Person " : a Person who is disregarded as an entity separate from its owner for United States federal income tax purposes pursuant to Treasury Regulation Section 301.7701-2(c)(2).

" Dollars " and " $ " : dollars in lawful currency of the United States

" Eligible Inventory " : as at any date, the sum of the following (determined without duplication):

(a) all Inventory (i) that is owned by (and in the possession or under the control of) the Company or any Guarantor as at such date, (ii) that is located in a jurisdiction in the United States of America, (iii) as to which appropriate Uniform Commercial Code financing statements have been filed naming such Borrower as " debtor " and the Collateral Agent as " secured party, " (iv) that is in good condition, (v) that meets all standards imposed by any Governmental Person having regulatory authority over such Inventory, its use or sale and (vi) that is either currently usable or currently saleable in the normal

course of such Borrower ' s business without any notice to, or consent of, any Governmental Person (excluding however, except to the extent that the Majority Investors otherwise agree with respect to any specific customer or Processor, any such Inventory which has been shipped to a customer of such Borrower, including Processors referred to below, even if on a consignment or " sale or return " basis), plus

(b) all Inventory being processed by third parties on behalf of the Company or any Guarantor (any such third party, a " Processor ") as at such date, but only to the extent that such Borrower shall have filed an appropriate Uniform Commercial Code financing statement in the respective jurisdiction in which such Inventory is located naming the respective Processor as " debtor, " such Borrower as " secured party " and the Collateral Agent as " assignee " and delivered to the Collateral Agent an opinion of counsel satisfactory to the Collateral Agent to the effect that (i) to the extent such arrangement constitutes a consignment or security interest under applicable law, such Borrower has a valid perfected security interest in such Inventory, (ii) by virtue of the applicable security agreement, such security interest has been validly assigned to the Collateral Agent and (iii) accordingly the Collateral Agent has a valid and perfected security interest in such Inventory under the applicable security agreement,

provided that (x) in no event shall Inventory that has been held by the Company or any Guarantor as inventory for more than 180 days be " Eligible Inventory " and (y) the Majority Investors (through the Collateral Agent) may at any time exclude from Eligible Inventory any type of Inventory that the Majority Investors (in their sole discretion) determine to be unmarketable.

" Eligible Receivables " : as at any date, the aggregate amount of all Receivables at such date payable to the Company or any Guarantor other than the following (determined without duplication):

(a) any Receivable not payable in Dollars,

(b) any Receivable that, at the date of issuance of the original invoice for the related Inventory, was payable more than 60 days after shipment of such Inventory,

(c) any Receivable due from a Subsidiary or Affiliate of such Borrower,

(d) any Receivable due from an account debtor whose principal place of business is located outside of the United States of America, unless approved by the Majority Investors,

(e) any Receivable due from an account debtor that the Majority Investors (through the Collateral Agent) have notified Parent does not have a satisfactory credit standing (as determined in the sole discretion of the Majority Investors),

(f) any Receivable that remains unpaid for more than 90 days after the date of the issuance of the original invoice for the related Inventory or is more than 30 days past due,

(g) all Receivables of any account debtor if more than 25% of the aggregate amount of the Receivables due from such account debtor shall at the time have remained unpaid for more than 90 days after the date of the issuance of the original invoices for the related Inventory or are more than 30 days past due,

(h) all Receivables due from any account debtor if the Receivables due from such account debtor and its Affiliates at the time exceed 30% of all Receivables then payable to the Company or any Guarantor,

(i) any Receivable as to which there is any unresolved dispute with the respective account debtor (but only to the extent of the amount so in dispute),

(j) any Receivable evidenced by an Instrument not in the possession of the Collateral Agent, and

(k) any Receivable representing an obligation for goods sold on consignment

(k) any Receivable representing an obligation for goods sold on consignment, approval or a sale or return basis or subject to any other repurchase or return arrangement, except to the extent the Majority Investors (through the Collateral Agent) shall have otherwise agreed in writing.

" Event of Default " : shall have the meaning assigned to that term in Section __.

" Equity Issuance " : (a) any issuance or sale by Parent or by any of its Subsidiaries after the initial Closing Date of (i) any capital stock, (ii) any warrants or options exercisable in respect of capital stock (other than any warrants or options issued to directors, officers or employees of Parent or of any of its Subsidiaries and any capital stock of Parent issued upon the exercise of such warrants) or (iii) any other security or instrument representing an equity interest (or the right to obtain any equity interest) in the issuing or selling Person or (b) the receipt by Parent or by any of its Subsidiaries after the initial Closing Date of any capital contribution received (whether or not evidenced by any equity security issued by the recipient of such contribution); provided that the term " Equity Issuance " shall not include (x) any such issuance or sale by any Subsidiary of Parent to Parent or to any wholly owned Subsidiary of Parent, (y) any capital contribution by Parent or by any wholly owned Subsidiary of Parent to any Subsidiary of Parent or (z) for purposes of mandatory prepayments of Loans, Equity Issuances to Investors under the TC&F Agreement.

" Excess Cash Flow " : for any period, the excess of (i) Cash Flow for such period over (ii) the sum of (a) Capital Expenditures made during such period plus (b) the aggregate amount of Interest Expense for such period.

" Excluded Equity " : (i) any voting stock in excess of 66% of each class of the outstanding voting stock of any direct Subsidiary of any one or more Borrowers if such Subsidiary is a Foreign Subsidiary and (ii) any Capital Stock of a Foreign Subsidiary that is a Disregarded Person and which is a Guarantor. For the purposes of this definition, " voting stock " means, as to any Issuer, the issued and outstanding shares of each class of capital stock or other ownership interests of such issuer entitled to vote (within the meaning of Treasury Regulations Section 1.956-2(c)(2)).

" Excluded Property " : the collective reference to (i) all Excluded Equity, and (ii) any permit, lease, license, contract, instrument or other agreement held by any Borrower that prohibits or requires the consent of any Person other than the Company and its Affiliates as a condition to the creation by such Borrower of a Lien thereon, or any permit, lease, license, contract, instrument or other agreement held by any Borrower to the extent that any Requirement of Law applicable thereto prohibits the creation of a Lien thereon, but only, in each case, to the extent, and for so long as, such prohibition is not terminated or rendered unenforceable or otherwise deemed ineffective by the New York UCC or any other Requirement of Law and (iii) Equipment owned by any Borrower that is subject to a purchase money Lien or a capital lease if the contract or other agreement in which such Lien is granted (or in the documentation providing for such capital lease) prohibits or requires the consent of any Person other than the Company and its Affiliates as a condition to the creation of any other Lien on such Equipment; provided , however , that " Excluded Property " shall not include any Proceeds, substitutions or replacements of Excluded Property (unless such Proceeds, substitutions or replacements would constitute Excluded Property).

" Foreign Borrower " : a Borrower that is a Foreign Subsidiary.

" Foreign Subsidiary " : a Subsidiary that is not a " United States person " under and as defined in Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended

" GAAP " : generally accepted accounting principles applied on a basis consistent with those which are to be used in making the calculations for purposes of determining compliance with this Agreement.

" Governmental Approvals " : any authorization, consent, approval, license, lease, ruling, permit, waiver, exemption, filing, registration or notice by or with any Governmental Person.

" Governmental Person " : any national (U.S. or foreign), state or local government, any political subdivision or any governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, agency, body, entity or other Person

" Governmental Rules " : any law, rule, regulation, ordinance, order, code, judgment, decree, directive, guideline, policy, or any similar form of decision of, or any interpretation or administration of any of the foregoing by, any Governmental Person.

" Guarantor Obligations " : with respect to any Guarantor, the collective reference to (i) the Company Obligations and (ii) each Obligation of such Guarantor to the Collateral Agent or any other Secured Party arising under, out of, or in connection with any Transaction Document, or any other document made, delivered or given in connection therewith.

" Guarantors " : the collective reference to each of the Subsidiaries of the Company who are signatories hereto and any other entity that may become a party hereto as a Guarantor as provided herein.

" Indebtedness " : as defined in the form of Note.

" Intellectual Property " : the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks and the Trademark Licenses, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

" Interest Expense " : for any period, the sum, for the Company and its Consolidated Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP), of the following: (a) all interest in respect of Indebtedness accrued or capitalized during such period (whether or not actually paid during such period) plus (b) all dividend payments made by any Subsidiary to CEHRS or Parent during such period to enable CEHRS or Parent to pay interest in respect of Indebtedness.

" Issuers " : the collective reference to each issuer of a Pledged Investment.

" Loans " : the loans provided for by Section 2.1.

" Majority Investors " : the Investors holding a majority in principal amount of all Loans then outstanding.

" Material Intellectual Property " : with respect to any Borrower, at any time, Intellectual Property owned by or licensed to such Borrower that is necessary or otherwise material to the conduct of the business of the Company and its Subsidiaries, taken as a whole; and " Material Patents , " " Material Copyrights , " and " Material Trademarks " mean all Patents, Copyrights, and Trademarks, respectively, that meet the criteria described above.

" Net Available Proceeds " :

(i) in the case of any Disposition, the amount of Net Cash Payments received in connection with such Disposition;

(ii) in the case of any Casualty Event, the aggregate amount of proceeds of insurance, condemnation awards and other compensation received by the Company and its Subsidiaries in respect of such Casualty Event net of (A) reasonable expenses incurred by the Company and its Subsidiaries in connection with such Casualty Event and (B) contractually required repayments of Indebtedness to the extent secured by a Lien on such Property and any income and transfer taxes payable by the Company or any of its Subsidiaries in respect of such Casualty Event; and

(iii) in the case of any Equity Issuance, the aggregate amount of all cash received by the Company and its Subsidiaries in respect of such Equity Issuance net of reasonable expenses incurred by the Company and its Subsidiaries in connection with such Equity Issuance.

" Net Cash Payments " : with respect to any Disposition, the aggregate amount of all cash payments, and the fair market value of any noncash consideration, received by the Company and its Subsidiaries directly or indirectly in connection with such Disposition; provided that (a) Net Cash Payments shall be net of (i) the amount of any legal, title and recording tax expenses, commissions and other fees and expenses paid by the Company and its Subsidiaries in connection with such Disposition and (ii) any federal, state and local income or other taxes estimated to be payable by the Company and its Subsidiaries as a result of such Disposition (but only to the extent that such estimated taxes are in fact paid to the relevant Governmental Person within three months of the date of such Disposition), (b) Net Cash Payments shall not include any cash payment received in any fiscal year to the extent that such cash payment, together with all cash payments with respect to Dispositions theretofore received in such fiscal year, does not exceed $100,000 and (c) Net Cash Payments shall be net of any repayments by the Company or any of its Subsidiaries of Indebtedness to the extent that (i) such Indebtedness is secured by a Lien on the Property that is the subject of such Disposition and (ii) the transferee of (or holder of a Lien on) such Property requires that such Indebtedness be repaid as a condition to the purchase of such Property.

" New York UCC " : the Uniform Commercial Code as from time to time in effect in the State of New York.

" Note " : the Master Promissory Note in substantially the form of Exhibit A hereto issued by the Company to the Collateral Agent for the benefit of each respective Secured Party or a separate Promissory Note in substantially the form of Exhibit A hereto issued by a Borrower or Borrowers to an Investor in respect of a Loan made to any Borrower pursuant to the TC&F Agreement or this Agreement or that is otherwise stated to be governed by or entitled to the benefits of this Agreement.

" Obligations " : (i) the unpaid principal of and interest on (including interest accruing, at the then applicable rate provided in the TC&F Agreement, this Agreement or any Note after the maturity of the Notes and interest accruing at the then applicable rate provided in the TC&F Agreement, this Agreement, or any Note after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Company or any Subsidiary (whether or not a claim for post-filing or post-petition interest is allowed in such proceeding)) any Loans or other obligations for borrowed money arising under or represented, evidenced, or governed by the TC&F Agreement, this Agreement, or the Notes and (ii) all other obligations and liabilities of any Borrower to the Collateral Agent or to any other Secured Party whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the TC&F Agreement, this Agreement, any Note, any other Transaction Document, or any other document made, delivered or given in connection herewith or therewith, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees and other charges of counsel to the Collateral Agent or to any other Secured Party that are required to be paid by the Company or any Subsidiary pursuant hereto) or otherwise.

" Patent Licenses " : any written agreements providing for the grant by or to any Borrower of any right to manufacture, use or sell any invention covered in whole or in part by a Patent, including any of the foregoing referred to in Schedule 5.7 .

" Patents " : (i) all letters patent of the United States, any other country or any political subdivision thereof, and all reissues and extensions thereof, including any of the foregoing referred to in Schedule 5.7 , (ii) all applications for letters patent of the United States or any other country, and all divisions, continuations and continuations-in-part thereof, including any of the foregoing referred to in Schedule 5.7 , and (iii) all rights to obtain any reissues or extensions of the foregoing.

" Pledged Debt " : all Promissory Notes and all debt securities issued to or held by any Borrower, including, but not limited to, the Promissory Notes listed in Schedule 5.5 .

" Pledged Investments " : the collective reference to the Pledged Debt and the Pledged Stock.

" Pledged Stock " : all the shares of Capital Stock together with any other shares, stock certificates, options or rights of any nature whatsoever in respect of the Capital Stock of any Person that may be issued or granted to, or held by, any Borrower while this Agreement is in effect including, but not limited to, the Capital Stock listed in Schedule 5.5 but excluding any Excluded Equity.

" Post Default Rate " : except as otherwise agreed with respect to any Loan pursuant to Section 2.2, in respect of any Obligation that is not paid when due (whether at stated maturity, by acceleration, by optional or mandatory prepayment or otherwise) or during any period that a Default shall have occurred and be continuing, a rate per annum during the period from and including the due date or Default to but excluding the date on which such amount is paid in full or such Default shall no longer be continuing equal to 400 basis points above the interest rate otherwise in effect from time to time.

" Property " : any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

" Receivable " : as at any date, the unpaid portion of the obligation, as stated on the respective invoice, of a customer of the Company or any Guarantor in respect of Inventory sold or leased and shipped or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper (including any Account), net of any credits, rebates or offsets owed to such customer and also net of any commissions payable to third parties (and for purposes of this Agreement, a credit or rebate paid by check or draft of the Company or any Guarantor shall be deemed to be outstanding until such check or draft shall have been debited to the account of such Borrower on which such check or draft was drawn).

" Secured Obligations " : (i) in the case of the Company, the Company Obligations, and (ii) in the case of any Guarantor, the Guarantor Obligations.

" Secured Parties " : collectively, (i) the Collateral Agent, (ii) the Investors, (iii) the holders of the Notes, (iv) the permitted successors and assigns of any of the foregoing, and (v) the Indemnitees.

" Securities Act " : the Securities Act of 1933, as amended.

" Subordinated Indebtedness " : collectively, (a) Indebtedness of CEHRS to Seller under the Asset Purchase Agreement as evidenced by the Promissory Note (as defined in the Asset Purchase Agreement) and (b) other Indebtedness (i) for which a constituent of the Company is directly and primarily liable, (ii) in respect of which none of the Company other Subsidiaries is contingently or otherwise obligated and (iii) which is subordinated to the obligations of the Company under this Agreement (including in respect of its Guarantee under Section 7) on terms, and pursuant to documentation containing other terms (including interest, amortization, covenants and events of default), in form and substance satisfactory to the Majority Investors.

" Termination Date " : the date on which all of the following shall have occurred: (i) the principal of and accrued interest on all outstanding Notes shall have been indefeasibly paid in full and (ii) all fees, expenses, premiums, indemnities and other amounts then due and payable in respect of the Obligations shall have been paid in full; provided that for purposes of Section 3, the Termination Date shall not occur until all Company Obligations have been indefeasibly paid in full.

" Trademark Licenses " : any written agreements providing for the grant by or to any Borrower of any right to use any Trademark, including any of the foregoing referred to in Schedule 5.7 .

" Trademarks " : (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill of the business symbolized by the foregoing, all registrations and recordings thereof, and all applications in connection therewith in the United States Patent and Trademark Office or in

any similar office or agency of the United States, or any other country or any political subdivision thereof, and all common-law rights related thereto, including any of the foregoing referred to in Schedule 5.7 , and (ii) the right to obtain all renewals thereof; provided , that the grant of security interest shall not include any intent-to-use Trademark application that may be deemed invalidated, canceled or abandoned due to the grant and/or enforcement of such security interest unless and until such time that an affidavit or statement of use has been filed and accepted.

1.2 Other Definitional Provisions .

(a) The words " hereof, " " herein, " " hereto, " and " hereunder " and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Annex and Schedule references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(c) Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Borrower, shall refer to such Borrower ' s Collateral or the relevant part thereof.

(d) Unless the context requires otherwise, (i) the words " include **,** " " includes **,** " and " including " shall be deemed to be followed by the phrase " without limitation **,** " (ii) the words " asset " and " property " shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests **,** and contract rights, (iii) any definition of or reference to any agreement, instrument **,** or other document shall be construed as referring to such agreement, instrument **,** or other document as from time to time amended, supplemented **,** or otherwise modified (subject to any applicable restrictions set forth herein or in any other Transaction Document), (iv) any reference herein to any Person shall be construed to include such Person ' s successors and assigns (subject to any applicable restrictions set forth herein or in any other Transaction Document), and (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing **,** or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified **,** or supplemented from time to time.

SECTION 2 LOANS, NOTES, AND PAYMENTS

2.1 Loans . To make a loan to the Company or any Borrower, a Person shall become an Investor party to the TC&F Agreement and thereby agree, on the terms and conditions of the TC&F Agreement and this Agreement (including Section 2.2 below), to make a loan or loans to a Borrower in Dollars during the period from and including the Closing Date to but not including the date (the " Loan Advance Termination Date ") the aggregate of all Loans from Investors to and investment by Investors and investment in Parent and other Borrowers pursuant to the TC&F Agreement and/or this Agreement total at least Five Million Dollars ($5,000,000) (the " Advance Amount ") (subject to the provisions of Section 2.6). The terms of each Loan shall be set forth in the Schedule of Investors to the TC&F Agreement and such terms shall be notated by the Collateral Agent on the Master Promissory Note or set forth in a separate Promissory Note as a condition to such Loan. A Person making such a loan shall become a Secured Party under this Agreement and the loan or loans thereby made to any Borrower shall be governed by and entitled to the benefits of this Agreement.

2.2 Borrowings of Loans . The Company shall give the Collateral Agent not less than thirty (30) days ' notice of each proposed borrowing of Loans. Each such notice shall specify the amount of the Loan(s) proposed to be borrowed (subject to an aggregate maximum equal to the Advance Amount) and the proposed date of borrowing (which shall be a Business Day). The Collateral Agent shall promptly notify Persons proposed to be Investors in the Loan or Loans of the contents of each such notice. Thereafter Parent, the Collateral Agent, and the Persons proposed to be Investors shall negotiate in good

faith regarding the proposed terms of such Loan or Loans. Upon reaching agreement on the terms of any proposed Loan or Loans, and unless otherwise agreed, each agreeing Investor shall make available the amount of the Loan or Loans to be made by it on such date to the Collateral Agent, at a bank account maintained by the Collateral Agent for such purpose, in immediately available funds, for the account of the respective Borrower or directly to such Borrower(s). Unless otherwise agreed, any amount so received by the Collateral Agent shall, subject to the terms and conditions of this Agreement, be made available to the respective Borrower(s) by depositing the same, in immediately available funds, in an account of the respective Borrower(s) at a depositary institution or institutions located in California and by written notice to the Collateral Agent designated by Parent.

2.3 Several Obligations; Remedies Independent . Unless otherwise agreed pursuant to Section 2.2, the obligation of each Person to make any Loan shall be independent of the obligation of any other Person and neither any such Person nor the Collateral Agent shall be responsible for the failure of any other Person to make a Loan to be made by such other Person. Unless otherwise agreed at the time of agreeing to the terms of a Loan or otherwise consented to by the Collateral Agent, no Investor shall be entitled to take any action to protect or enforce its rights arising out of any Transaction Document without the prior written consent of the Majority Investors or the Collateral Agent. Except as provided above, the amounts payable by the Company or any Borrower at any time under the TC&F Agreement, this Agreement, and the Notes or any other Transaction Document to any Investor shall be separate and independent debts and each Investor shall be entitled to protect and enforce its rights arising out of the TC&F Agreement, this Agreement, and the Notes or any other Transaction Document, and it shall not be necessary for any other Investor or the Collateral Agent to consent to, or be joined as an additional party in, any proceedings for such purposes.

2.4 Notes .

(a) The Loans made by each Investor shall, unless otherwise agreed to pursuant to Section 2.2 (including by the Collateral Agent), be evidenced by a single Master Promissory Note of any constituent of the Company or a Borrower in substantially the form of Exhibit A , dated the initial Closing Date, but separately payable to each Investor in the initial amount equal of the principal amount of its Loan or Loans and otherwise duly completed. It shall be the responsibility of the Collateral Agent to notate the Master Promissory Note with the terms of each Loan evidenced thereby. If agreed pursuant to Section 2.2, one or more Loans may be evidenced a separate Promissory Note of any Borrower in substantially the form of Exhibit A , dated the respective Closing Date, and separately payable to the Investor(s) making such Loans in the initial amount equal of the principal amount of its or their Loan or Loans and otherwise duly completed.

(b) The date, amount, type, interest rate, maturity, and other terms, and each payment made on account of the principal of each Loan, shall be recorded by the Collateral Agent (in respect of the Master Promissory Note) or the respective Investor (in respect of a separate Promissory Note) on its books and, prior to any transfer of the Note evidencing one or more of the Loans administered or held by it, endorsed or notated by the Collateral Agent or such Investor on the schedule attached to such Note or any continuation of such Note; provided that the failure of the Collateral Agent such Investor to make any such recordation or endorsement shall not affect the obligations of any constituent of the Company or any Borrower to make a payment when due of any amount owing under the TC&F Agreement, this Agreement, any such Note or any Transaction Document in respect of the Loans to be evidenced by such Note. Absent manifest error, the original of the Master Promissory Note, as so notated by the Collateral Agent, or the original of any separate Promissory Note, as so notated by an Investor, shall be conclusive and binding evidence of the Loans evidenced thereby, and any Investor, any Secured Party, and the Collateral Agent may at any time and in any proceeding relating to enforcement of any Loan present the original or a copy of such Master Promissory Note or other Promissory Note.

2.5 Optional Prepayments of Loans . Unless otherwise agreed pursuant to Section 2.2 (such as, for example, in the case of convertible Loans), Borrowers shall have the right to prepay Loans at any time or from time to time, provided that: (a) Parent shall give the Collateral Agent notice of each such prepayment (and, upon the date specified in any such notice of prepayment, the amount to be prepaid

shall become due and payable under this Agreement); and (b) prepayments of the Loans shall be applied to the installments of the Loans in the inverse order of their maturities.

2.6 Mandatory Prepayments and Reductions of Availability .

(a) Borrowing Base . Borrowers shall from time to time prepay the Loans in such amounts as shall be necessary so that at all times the aggregate outstanding principal amount of the Loans shall not exceed the Borrowing Base. If and to the extent the Borrowing Base is at any time less than the Advance Amount as stated in Section 2.1, the Advance Amount shall be deemed to equal the Borrowing Base.

(b) Casualty Events . Upon the date fifteen (15) days following the receipt by the Company or any of its Subsidiaries of the proceeds of insurance, condemnation award or other compensation in respect of any Casualty Event affecting any Property of the Company or any of its Subsidiaries (or upon such earlier date as the Company or such Subsidiary, as the case may be, shall have determined not to repair or replace the Property affected by such Casualty Event), the Company shall prepay the Loans, and the Advance Amount shall be subject to automatic reduction, in an aggregate amount, if any, equal to 100% of the Net Available Proceeds of such Casualty Event not previously applied to the repair or replacement of such Property, such prepayment and reduction to be effected in each case in the manner and to the extent specified in clause (f) of this Section 2.6. Nothing in this clause (b) shall be deemed to limit any obligation of the Company or any of its Subsidiaries pursuant to any of the Security Documents to remit to a collateral or similar account (including the Collateral Account) maintained by the Collateral Agent pursuant to any of the Security Documents the proceeds of insurance, condemnation award or other compensation received in respect of any Casualty Event.

(c) Equity Issuance . Upon any Equity Issuance, the Company shall prepay the Loans, and the Advance Amount shall be subject to automatic reduction, in an aggregate amount equal to 100% of the Net Available Proceeds of such Equity Issuance, such prepayment and reduction to be effected in each case in the manner and to the extent specified in clause (f) of this Section 2.6.

(d) Excess Cash Flow . Not later than the date 90 days after the end of each fiscal year of the Company ending after the initial Closing Date, the Company shall prepay the Loans, and the Advance Amount shall be subject to automatic reduction, in an aggregate amount equal to the excess of (A) 25% of Excess Cash Flow for such fiscal year over (B) the aggregate amount of prepayments of Loans made during such fiscal year.

(e) Sale of Assets . Without limiting the obligation of the Company to obtain the consent of the Majority Investors to any Disposition not otherwise permitted under the Transaction Documents, no later than five Business Days prior to the occurrence of any such Disposition, Parent will deliver to the Investors a statement, certified by the chief financial officer of Parent, in form and detail satisfactory to the Collateral Agent, of the amount of the Net Available Proceeds of such Disposition and, to the extent such Net Available Proceeds (when taken together with the Net Available Proceeds of all prior Dispositions as to which a prepayment has not yet been made) shall exceed $100,000, the Company will prepay the Loans, and the Advance Amount shall be subject to automatic reduction, in an aggregate amount equal to 100% of the Net Available Proceeds of such Disposition (together with 100% of the Net Available Proceeds of all prior Dispositions as to which a prepayment has not yet been made), such prepayment and reduction to be effected in each case in the manner and to the extent specified in clause (f) of this Section 2.6.

(f) Application . Prepayments and reductions of the Advance Amount described in this Section 2.6 (other than in clause (a) above) shall be applied to the Loans in the inverse order of the maturities of the installments of the Loans then outstanding (and, after giving effect to such prepayment, any remaining unutilized Advance Amount shall be automatically reduced by an amount equal to the balance of the required prepayment).

2.7 Prepayments of Loans

2.7 Repayment of Loans .

(a) The Company hereby promises to pay to the Cllateral Agent for the account of each Investor (and to each Investor) the entire outstanding principal amount of such Investor ' s Loans, and each Loan shall mature, on the respective Credit Termination Date.

(b) In addition, the Company hereby promises to pay to the Collateral Agent for the account of each Investor (and to each Investor) the principal of such Investors Loans in the installments payable as agreed pursuant to Section 2.2.

2.8 Interest . The Company hereby promises to pay to the Collateral Agent for the account of each Investor (and to each Investor) interest on the unpaid principal amount of each Loan made by such Investor for the period from and including the date of such Loan to but excluding the date such Loan shall be paid in full, at the rates per annum agreed pursuant to Section 2.2.

Notwithstanding the foregoing, the Company hereby promises the Collateral Agent for the account of each Investor (and to each Investor) interest at the applicable Post Default Rate on any Obligation held by such Investor to or for the account of such Investor, which shall not be paid in full when due (whether at stated maturity, by acceleration, by mandatory prepayment or otherwise), or during any period that a Default shall have occurred and be continuing, for the period from and including the due date of any such amount or occurrence of a Default to but excluding the date the same is paid in full or such Default shall no longer be continuing.

Except as otherwise agreed with respect to a Loan pursuant to Section 2.2, accrued interest on each Loan shall be payable (i) quarterly on the last day of each calendar quarter (each a " Quarterly Date ") and (ii) upon the payment or prepayment of such Loan, except that interest payable at the Post Default Rate shall be payable from time to time on demand. .

2.9 Payments .

(a) Except to the extent otherwise agreed with respect to a Loan pursuant to Section 2.2 or as otherwise provided in this Agreement, all payments of any Obligations, except to the extent otherwise provided in any other Transaction Document, shall be made in Dollars, in immediately available funds, without deduction, set off or counterclaim, to the Collateral Agent at such account maintained by the Collateral Agent and designated in writing to Parent not later than 1:00 p.m. New York time on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day).

(b) The Company shall, at the time of making each payment under this Agreement of any Obligation for the account of any Investor, specify to the Collateral Agent (which shall so notify each intended recipient to which Obligation such payment is to be applied (and in the event that the Company fails to so specify, or if a Default has occurred and is continuing, the Collateral Agent may distribute such payment to the Investors for application in such manner as it or the Majority Investors may determine to be appropriate).

(c) Each payment received by the Collateral Agent under this Agreement of any Obligation for the account of any Investor shall be paid by the Collateral Agent promptly to such Investor, in immediately available funds, for the Loan or other obligation in respect of which such payment is made.

(d) If the due date of any payment of any Obligation would otherwise fall on a day that is not a Business Day, such date shall be extended to the next succeeding Business Day, and interest shall be payable for any principal so extended for the period of such extension.

2.10 Pro Rata Treatment . Except to the otherwise agreed with respect to a Loan pursuant to Section 2.2 or as otherwise provided in this Agreement: (a) each borrowing of Loans from the Investors shall be made from the relevant Investors pro rata according to the amounts of their respective agreements to make Loans pursuant to Section 2.2; (b) the making Loans shall be made pro rata among the

relevant Investors according to the of their respective agreements to make Loans pursuant to Section 2.2 and the then current maturity for each concurrently made Loan shall be coterminous; and (c) each payment on account of any Obligations to or for the account of one or more of the Investors in respect of any Obligations due on a particular day (or, if such day is not a Business Day, the next succeeding Business Day) shall be entitled to priority over payments in respect of Obligations not then due and shall be allocated among the Investors entitled to such payments pro rata in accordance with the respective amounts due and payable to such Investors on such day (or Business Day) and shall be distributed accordingly. Nothing in this Section 2.10 shall be deemed to prevent, except in the case of shortfall, the differential indemnity and other amounts owing to or for the account of a particular Investor or Investors pursuant to any provisions of any Transaction Document which, by their terms, require differential payments.

2.11 Computations. Interest on Loans shall be computed on the basis of a year of 360 days consisting of 12 30-day months and the actual number of days elapsed (including the first day but excluding the last day) occurring in the period for which payable) occurring in the period for which payable.

2.12 Minimum Amounts. Except for mandatory prepayments, each borrowing and partial prepayment of principal of Loans shall be in an aggregate amount at least equal to $250,000 or any larger multiple of $250,000 (borrowings or prepayments of Loans of different types or having different terms at the same time to be deemed separate borrowings and prepayments for purposes of the foregoing).

SECTION 3 GUARANTEE

3.1 Guarantee.

(a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Collateral Agent and the other Secured Parties the prompt and complete payment and performance by the Company when due (whether at the stated maturity, by acceleration or otherwise) of the Company Obligations.

(b) Anything herein or in any other Transaction Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Transaction Documents shall in no event exceed the amount which can be validly guaranteed by such Guarantor under applicable federal and state laws relating to the insolvency of debtors (after giving effect to the right of contribution established in Section 3.2).

(c) Each Guarantor agrees that the Company Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing the guarantee contained in this Section 2 or affecting the rights and remedies of the Collateral Agent and the other Secured Parties hereunder.

(d) The guarantee contained in this Section 3 shall remain in full force and effect until the Termination Date, notwithstanding that from time to time prior thereto the Company may be free from any Company Obligations.

(e) No payment made by the Company, any of the Guarantors, any other guarantor or any other Person, or received or collected by the Collateral Agent or any other Secured Party from the Company, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Company Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Company Obligations or any payment received or collected from such Guarantor in respect of the Company Obligations), remain liable for the Company Obligations up to the maximum liability of such Guarantor hereunder until the Termination Date.

3.2 Right of Contribution. Each Guarantor hereby agrees that to the extent that a

3.2 Right of Contribution . Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor ' s right of contribution shall be subject to the terms and conditions of Section 3.3. The provisions of this Section 3.2 shall in no respect limit the obligations and liabilities of any Guarantor to the Collateral Agent and the other Secured Parties, and each Guarantor shall remain liable to the Collateral Agent and the other Secured Parties for the full amount guaranteed by such Guarantor hereunder.

3.3 No Subrogation . Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds of any Guarantor by the Collateral Agent or any other Secured Party, no Guarantor shall be entitled to be subrogated to any of the rights of the Collateral Agent or any other Secured Party against the Company or any other Guarantor or any collateral security or guarantee or right of offset held by the Collateral Agent or any other Secured Party for the payment of the Company Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Company or any other Guarantor in respect of payments made by such Guarantor hereunder, until the Termination Date. If any amount shall be paid to any Guarantor on account of such subrogation, contribution or reimbursement rights at any time when all of the Company Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Collateral Agent and the other Secured Parties, segregated from other funds of such Guarantor, and shall, immediately upon receipt by such Guarantor, be turned over to the Collateral Agent, for the benefit of the Collateral Agent and the other Secured Parties, in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Collateral Agent, if required), to be applied against the Company Obligations, whether matured or unmatured, in such order as the Collateral Agent may determine.

3.4 Amendments, etc. with Respect to the Company Obligations . Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, (i) any demand for payment of any of the Company Obligations made by the Collateral Agent or any other Secured Party may be rescinded by the Collateral Agent or such other Secured Party, as the case may be, and any of the Company Obligations continued, (ii) the Company Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Collateral Agent or any other Secured Party, (iii) the TC&F Agreement and the other Transaction Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Collateral Agent or any other Secured Party may deem advisable from time to time, (iv) any collateral security, guarantee or right of offset at any time held by the Collateral Agent or any other Secured Party for the payment of the Company Obligations may be sold, exchanged, waived, surrendered or released, or (v) the Collateral Agent or any other Secured Party shall have failed to protect, secure, perfect or insure any Lien at any time held by it as security for the Company Obligations or for the guarantee contained in this Section 3 or any property subject thereto.

3.5 Guarantee Absolute and Unconditional . Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Company Obligations and notice of or proof of reliance by the Collateral Agent or any other Secured Party upon the guarantee contained in this Section 3 or acceptance of the guarantee contained in this Section 3; the Company Obligations shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended, modified or waived, in reliance upon the guarantee contained in this Section 3 and the grant of the security interests pursuant to Section 4; and all dealings between the Company and any of the Guarantors, on the one hand, and the Collateral Agent and the other Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 3 and the grant of the security interests pursuant to Section 4. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Company or any of the Guarantors with respect to the Company Obligations. Each Guarantor understands and agrees that the guarantee contained in this Section 3 and the grant of the security interests pursuant to Section 4

shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (i) the validity or enforceability of the TC&F Agreement or any other Transaction Document, any of the Company Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Collateral Agent or any other Secured Party, (ii) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Company or any other Person against the Collateral Agent or any other Secured Party, or (iii) any other circumstance whatsoever (with or without notice to or knowledge of the Company or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Company for the Company Obligations, or of such Guarantor under the guarantee contained in this Section 3 and the grant of the security interests pursuant to Section 4, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, the Collateral Agent or any other Secured Party may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Company, any other Guarantor or any other Person or against any collateral security or guarantee for the Company Obligations, or any right of offset with respect thereto, and any failure by the Collateral Agent or any other Secured Party to make any such demand, to pursue such other rights or remedies or to collect any payments from the Company, any other Guarantor or any other Person, or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Company, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Collateral Agent or any other Secured Party against any Guarantor. For the purposes hereof, " demand " shall include the commencement and continuance of any legal proceedings.

3.6 Reinstatement . The guarantee contained in this Section 3 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Company Obligations is rescinded or must otherwise be restored or returned by the Collateral Agent or any other Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Company or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

3.7 Payments . Each Guarantor hereby guarantees that payments hereunder will be paid to the Collateral Agent, for the benefit of the Collateral Agent and the other Secured Parties, without set-off or counterclaim in immediately available funds in Dollars in accordance with the TC&F Agreement and the Notes.

3.8 Information . Each Guarantor assumes all responsibility for being and keeping itself informed of the Company ' s and each other Guarantor ' s financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Company Obligations and the nature, scope and extent of the risks that such Guarantor assumes and incurs hereunder, and agrees that the Collateral Agent and the other Secured Parties will not have any duty to advise such Guarantor of information known to it or any of them regarding such circumstances or risks.

SECTION 4 GRANT OF SECURITY INTEREST

Each Borrower hereby pledges to the Collateral Agent, and hereby grants to the Collateral Agent, in each case for the benefit of the Collateral Agent and the other Secured Parties, a security interest in any and all property and assets now owned or at any time hereafter acquired by such Borrower, or in which such Borrower now has or at any time in the future may acquire any right, title or interest (collectively, the " Collateral "), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Borrower ' s Secured Obligations including, but not limited to:

(a) all Accounts;

(b) all Chattel Paper;

(b) all Chattel Paper;

(c) all Commercial Tort Claims;

(d) all Deposit Accounts;

(e) all Documents;

(f) all Equipment;

(g) all General Intangibles, including all Intellectual Property;

(h) all Instruments;

(i) all Inventory;

(j) all Investment Property;

(k) all Letter-of-Credit Rights;

(l) without limiting the generality of the foregoing, all Fixtures, all Intellectual Property, all Pledged Investments and all Receivables;

(m) all books and records pertaining to the Collateral;

(n) all Goods and other personal property not otherwise described above; and

(o) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing, and all Supporting Obligations with respect to any of the foregoing;

provided , however , that " Collateral " shall not include any Excluded Property; and provided , further , that if any Excluded Property would have otherwise constituted Collateral, when such property shall cease to be Excluded Property, such property shall be deemed at all times from and after the date hereof to constitute Collateral.

SECTION 5 REPRESENTATIONS AND WARRANTIES

To induce the Investors to enter into the TC&F Agreement and to make Loans pursuant thereto and pursuant to this Agreement, each of the Company and each Borrower, as to itself, hereby represents and warrants to the Collateral Agent and the other Secured Parties as of the date hereof that:

5.1 Representations in TC&F Agreement . The representations and warranties set forth in Section 3 of the TC&F Agreement as they relate to any Borrower or to the Transaction Documents to which any Borrower is a party, each of which is hereby incorporated herein by reference, are true and correct, and shall be incorporated by reference herein as if they were fully set forth herein, provided that each reference in each such representation and warranty to the Company ' s knowledge shall, for the purposes of this Section 4.1, be deemed to be a reference to the Borrowers ' knowledge.

5.2 Title; No Other Liens . Except for the security interest granted to the Collateral Agent, for the benefit of the Collateral Agent and the other Secured Parties, pursuant to this Agreement and the other Liens permitted to exist on the Collateral by the TC&F Agreement, the Notes and the other Transaction Documents, if any, such Borrower owns each item of the Collateral free and clear of any and all Liens or claims, options or rights of others. Except for financing statements filed in respect of Parent in favor of Nations Interbanc (the " Interbanc Lien "), no financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have

been filed in favor of the Collateral Agent for the benefit of the Collateral Agent and the other Secured Parties, pursuant to this Agreement or as are permitted by the TC&F Agreement, the Notes and the other Transaction Documents, if any.

5.3 Perfected First Priority Liens . This Agreement is effective to create in favor of the Collateral Agent, for the benefit of the Collateral Agent and the other Secured Parties, a legal, valid and enforceable security interest in the Collateral. Upon completion of the filings and other actions specified on Schedule 5.3 to this Agreement (which, in the case of all filings and other documents referred to on such Schedule 5.3 , have been delivered to the Collateral Agent in completed and, where applicable, duly executed form), the security interest created by this Agreement together with such filings shall constitute a fully perfected security interest in all right, title and interest of the Borrowers in such Collateral as security for the Secured Obligations, in each case prior and superior in right to any other Person (except the Interbanc Lien with respect to Property of Parent, other than Pledged Investments, as to which the Liens in favor of the Collateral Agent shall be first priority superior Liens).

5.4 Jurisdiction of Organization; Location of Collateral .

(a) On the date hereof, such Borrower ' s jurisdiction and type of organization, legal name, organizational identification number, if any, and the location of its chief executive office or sole place of business are specified on Schedule 5.4 .

(b) On the date hereof, the material Inventory and the material Equipment (other than mobile goods and goods in transit) of such Borrower are kept at the locations listed on Schedule 5.4 .

(c) Schedule 5.4 also lists (i) all of such Borrower ' s jurisdictions and types of organization, legal names and locations of chief executive office or sole place of business for the five years preceding the date hereof, if different from those referred to in Section 5.4(a), and (ii) the locations of such Borrower ' s material Inventory and the material Equipment (other than mobile goods and goods in transit) for the four months preceding the date hereof if different from those referred to in Section 5.4(b).

5.5 Pledged Investments .

(a) Schedule 5.5 sets forth a complete and accurate list of all Pledged Stock and Pledged Debt held by such Borrower as of the date hereof.

(b) The shares of Pledged Stock pledged by such Borrower hereunder constitute all the issued and outstanding shares of all classes of the Capital Stock of each Issuer owned by such Borrower other than Excluded Equity. Such shares represent all of the outstanding shares of Capital Stock of each such Issuer which is a Subsidiary other than Excluded Equity and except as noted on such Schedule 5.5 . All the shares of the Pledged Stock have been duly and validly issued and are fully paid and nonassessable.

(c) Each issue of Pledged Debt constitutes a legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors ' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(d) Such Borrower is the record and beneficial owner of, and has good and marketable title to, the Pledged Investments pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other Person, except the security interest created by this Agreement.

5.6 Receivables .

(a) No amount payable to such Borrower under or in connection with any Receivable is evidenced by any Instrument or Chattel Paper which has not been delivered to the Collateral Agent.

(b) None of the Receivables are owed to the Borrowers by obligors that are

(b) None of the Receivables are owed to the Borrowers by obligors that are Governmental Authorities.

5.7 Intellectual Property .

(a) Schedule 5.7 lists all applications for registration and registered Intellectual Property owned by such Borrower in its own name on the date hereof.

(b) On the date hereof, all Material Intellectual Property is valid, subsisting, unexpired and enforceable, has not been abandoned and does not, to the knowledge of such Borrower, infringe the intellectual property rights of any other Person.

(c) No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity of, or such Borrower ' s rights in, any Material Intellectual Property.

(d) No action or proceeding is pending, or to the knowledge of such Borrower threatened, on the date hereof (i) seeking to limit, cancel or question the validity of any Material Intellectual Property or such Borrower ' s ownership interest therein, or (ii) which, if adversely determined, would have a material adverse effect on the value of any Material Intellectual Property.

5.8 Deposit Accounts; Securities Accounts; and Commodity Accounts . On the date hereof, such Borrower does not have any Deposit Accounts, Commodity Accounts or Securities Accounts that are not listed on Schedule 5.8 hereto.

5.9 Commercial Tort Claims . On the date hereof, such Borrower does not hold any Commercial Tort Claim which might reasonably result in awarded damages (less any and all legal and other expenses incurred or reasonably expected to be incurred by such Borrower) in excess of $25,000 that is not listed on Schedule 5.9 hereto.

5.10 Letter-of-Credit Rights . On the date hereof, such Borrower is not the beneficiary under any letter of credit with a face amount in excess of $25,000 issued in favor of such Borrower that is not listed on Schedule 5.10 hereto.

5.11 Material Collateral . Such Borrower does not own, or have any other right or interest in, any Property included in the Collateral that cannot be perfected in the manner described in Section 5.3 (collectively, the " Non-Perfected Assets "), except for Non-Perfected Assets which together with the Non-Perfected Assets of all other Borrowers in the aggregate are not material to the Company and its Subsidiaries taken as a whole

SECTION 6

COVENANTS

The Company, as to itself and each of its Subsidiaries (other than the Borrowers), and each other Borrower, as to itself, covenants and agrees with the Collateral Agent and the other Secured Parties that, from and after the date of this Agreement until the Termination Date:

6.1 General Covenants .

(a) Without the prior written consent of the Collateral Agent, unless expressly permitted by the TC&F Agreement, the Notes or any other Transaction Document, such Borrower will not (i) sell, assign, transfer, exchange, abandon, or otherwise dispose of, or grant any option with respect to, the Collateral or any interest therein except for sales of inventory in the ordinary course of business, (ii) create, incur or permit to exist any Lien or option in favor of, or any claim of any Person with respect to, any of the Collateral or any interest therein, or (iii) enter into any agreement or undertaking restricting the right or ability of such Borrower or any Secured Party to sell, assign or transfer or vote any of the Collateral or any interest therein.

(b) In addition, such Borrower shall take, or shall refrain from taking, as the case may

(b) In addition, such Borrower shall take, or shall refrain from taking, as the case may be, each action that is necessary to be taken or not taken, as the case may be, so that no Default or Event of Default is caused by the failure to take such action or to refrain from taking such action by such Borrower or any of its Subsidiaries.

6.2 Notices . Such Borrower will advise the Collateral Agent promptly of:

(a) any Lien (other than security interests created hereby or Liens permitted under the TC&F Agreement, the Notes or any other Transaction Document) on any of the Collateral; and

(b) the occurrence of any other event which could reasonably be expected to have a material adverse effect on the security interests created hereby.

6.3 Maintenance of Insurance .

(a) Such Borrower will maintain, with financially sound and reputable companies, insurance policies as required by Section 3(r) of the TC&F Agreement and Section 11(m) of the Notes, such policies to be in such form and amounts and having such coverage as may be reasonably satisfactory to the Collateral Agent.

(b) All such insurance shall (i) provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least 30 days after receipt by the Collateral Agent of written notice thereof, (ii) name the Collateral Agent as additional insured or loss payee, (iii) if reasonably requested by the Collateral Agent, include a breach of warranty clause and (iv) be reasonably satisfactory in all other material respects to the Collateral Agent.

(c) The Company shall deliver to the Collateral Agent a report of a reputable insurance broker with respect to such insurance during the month of January in each calendar year and such supplemental reports with respect thereto as the Collateral Agent may from time to time reasonably request.

6.4 Payment of Obligations . Such Borrower will pay and discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of income or profits therefrom, as well as all claims of any kind (including claims for labor, materials and supplies) against or with respect to the Collateral, except that no such charge need be paid if the amount or validity thereof is currently being contested in good faith by appropriate proceedings, reserves in conformity with GAAP with respect thereto have been provided on the books of such Borrower (to the extent such reserves are required by GAAP) and such proceedings could not reasonably be expected to result in the sale, forfeiture or loss of any material portion of the Collateral or any material interest therein.

6.5 Maintenance of Perfected Security Interest; Further Documentation .

(a) Such Borrower shall maintain the security interest created by this Agreement as a perfected security interest having at least the priority described in Section 5.3 and shall defend such security interest against the claims and demands of all Persons whomsoever.

(b) Such Borrower will furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail.

(c) At any time and from time to time, upon the written request of the Collateral Agent, and at the sole expense of such Borrower, such Borrower will promptly and duly execute and deliver, and, if applicable, have recorded, such further instruments and documents and take such further actions as the Collateral Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including (i) the filing of any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby and (ii) in the case of Investment

Property, Deposit Accounts, Letter-of-Credit Rights and any other relevant Collateral, taking any actions necessary to enable the Collateral Agent to obtain " control " (within the meaning of the applicable Uniform Commercial Code) with respect thereto.

6.6 Changes in Locations, Name, etc. Such Borrower will not, except upon 30 days ' prior written notice to the Collateral Agent and delivery to the Collateral Agent of all additional financing statements and other documents reasonably requested by the Collateral Agent to maintain the validity, perfection and priority of the security interests provided for herein:

(i) change its jurisdiction of organization or, in the case of any Borrower that is not a registered organization (as defined in the New York UCC), the location of its chief executive office or sole place of business from that referred to in Section 5.4; or

(ii) change its name, identity or corporate structure.

6.7 Delivery of Instruments and Chattel Paper . All (i) Promissory Notes issued by any Borrower and held by another Borrower and (ii) if any amount payable under or in connection with any of the other Collateral shall be or become evidenced by any Instrument (other than checks received in the ordinary course of business) or Chattel Paper, such Instrument or Chattel Paper shall be delivered as soon as possible (but in any event within five Business Days) to the Collateral Agent, duly indorsed in a manner satisfactory to the Collateral Agent, to be held as Collateral pursuant to this Agreement.

6.8 Pledged Investments; Securities Accounts; Deposit Accounts .

(a) If any Pledged Investments now owned or hereafter acquired by any Borrower are certificated Securities and (i) are issued by any Borrower or any Subsidiary of a Borrower or (ii) issued by any other Person and not held in a Securities Account, such Borrower shall deliver as soon as possible (but in any event within five Business Days) the certificates evidencing the same to the Collateral Agent in the exact form received, duly indorsed by such Borrower to the Collateral Agent, if required, together with an undated stock power covering such certificate duly executed in blank by such Borrower and with, if the Collateral Agent so requests, signature guaranteed, to be held by the Collateral Agent, subject to the terms hereof, as additional collateral security for such Borrower ' s Secured Obligations.

(b) If any Pledged Investments now owned or hereafter acquired by any Borrower are uncertificated Securities and, in either case, (i) are issued by any Borrower or any Subsidiary of a Borrower or (ii) issued by any other Person and not held in a Securities Account, such Borrower shall notify the Collateral Agent as soon as possible (but in any event within five Business Days) thereof and, at the Collateral Agent ' s request and option, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either (i) cause the Issuer to agree to comply with instructions from the Collateral Agent as to such securities, without further consent of any Borrower, or (ii) arrange for the Collateral Agent to become the registered owner of the securities.

(c) If such Borrower shall now or hereafter have rights in any Securities Account with any securities intermediary, such Borrower shall notify the Collateral Agent as soon as possible (but in any event within five Business Days) thereof and, pursuant to an Account Control Agreement, cause such securities intermediary to agree to comply with entitlement orders or other instructions originated by the Collateral Agent to such securities intermediary as to the securities or other financial assets contained therein without consent from such Borrower

(d) If such Borrower shall now or hereafter have rights in any Deposit Account maintained with any bank, such Borrower shall notify the Collateral Agent as soon as possible (but in any event within five Business Days) thereof and, pursuant to an Account Control Agreement, cause such bank to agree to comply with instructions to such bank originated by the Collateral Agent directing the disposition of funds in such Deposit Account without consent from such Borrower.

(e) The Collateral Agent agrees with each of the Borrowers that the Collateral Agent shall not give any such entitlement orders, instructions or directions referred to in paragraph (b), (c)

or (d) above to any Issuer, securities intermediary or bank, and shall not withhold its consent to the exercise of any withdrawal or dealing right by any Borrower, unless an Event of Default has occurred and is continuing, or, after giving effect to any such investment and withdrawal rights, would occur. The provisions of this paragraph shall not apply to any financial assets credited to a Securities Account for which the Collateral Agent is the securities intermediary or Account as to which the Collateral Agent is the bank.

(f) Except as provided in Section 7.3, such Borrower shall be entitled to receive all cash dividends and distributions paid in respect of the Pledged Investments (except liquidating or distributing dividends). Any sums paid upon or in respect of the Pledged Investments upon the liquidation or dissolution of any Issuer or at a time when a Borrower is not permitted to receive such sums under Section 7.3 shall be paid over to the Collateral Agent to be held by it hereunder as additional collateral security for the Obligations, and in case any distribution of capital shall be made on or in respect of the Pledged Investments or any property shall be distributed upon or with respect to the Pledged Investments pursuant to the recapitalization or reclassification of the capital of any Issuer or pursuant to the reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected security interest in favor of the Collateral Agent, be delivered to the Collateral Agent to be held by it hereunder as additional collateral security for the Obligations. If any sums of money or property so paid or distributed in respect of the Pledged Investments shall be received by such Borrower, such Borrower shall, until such money or property is paid or delivered to the Collateral Agent, hold such money or property in trust for the Collateral Agent and the other Secured Parties, segregated from other funds of such Borrower, as additional collateral security for the Obligations.

(g) In the case of each Borrower that is also an Issuer, such Issuer agrees that (i) it will be bound by the terms of this Agreement relating to the Pledged Investments issued by it and will comply with such terms insofar as such terms are applicable to it, including complying with instructions from the Secured Party as to such Pledged Investments, without further consent of any Borrower, (ii) it will notify the Collateral Agent promptly in writing of the occurrence of any of the events described in Sections 6.8(a), (b) and (f) with respect to the Pledged Investments issued by it and (iii) the terms of Sections 7.3(c) and 7.7 shall apply to it, mutatis mutandis , with respect to all actions that may be required of it pursuant to Section 7.3(c) or 7.7 with respect to the Pledged Investments issued by it.

(h) In the case of each Issuer that is not a Borrower, such Issuer shall, and the Borrower of the Pledged Investments issued by such Issuer shall cause such Issuer to, acknowledge and agree to the pledge and grant of a security interest in the Pledged Investments by a writing in the form of Annex I hereto.

(i) To the extent permitted by applicable law, any Subsidiary of the Company as of the date of this Agreement that is not a Guarantor or Borrower hereunder shall execute and deliver, within ten days of the Closing Date, a negative pledge agreement (or as applicable, a joinder agreement to an existing negative pledge agreement) pursuant to which such Subsidiary will undertake not to create, incur or permit to exist, any Lien or other interest in breach of Section 6.1 herein with respect to any of its assets now held or hereinafter acquired.

6.9 Receivables .

(a) Other than in the ordinary course of business consistent with its past practice, such Borrower will not (i) grant any extension of the time of payment of any Receivable, (ii) compromise or settle any Receivable for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any Receivable, (iv) allow any credit or discount whatsoever on any Receivable, or (v) amend, supplement or modify any Receivable in any manner that could adversely affect the value thereof.

(b) Such Borrower will deliver to the Collateral Agent a copy of each material demand, notice or document received by it that questions or calls into doubt the validity or enforceability of more than 5% of the aggregate amount of the then outstanding Receivables.

6.10 Intellectual Property .

(a) Such Borrower (either itself or through licensees) will (i) continue to use each Material Trademark on each and every trademark class of goods applicable to its current product or service lines in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (ii) maintain as in the past the quality of products and services offered under such Trademark, (iii) use such Trademark with the appropriate notice of registration and all other notices and legends required by applicable Requirements of Law, (iv) not knowingly adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless the Collateral Agent shall obtain a perfected security interest in such mark pursuant to this Agreement, and (v) not do any act or knowingly omit to do any act whereby such Trademark may become invalidated or impaired in any way.

(b) Such Borrower (either itself or through licensees) will not do any act, or omit to do any act, whereby any Material Patent may become forfeited, abandoned or dedicated to the public.

(c) Such Borrower (either itself or through licensees) (i) will employ each Material Copyright and (ii) will not do any act or knowingly omit to do any act whereby any material portion of the Copyrights may become invalidated or otherwise impaired or fall into the public domain.

(d) Such Borrower (either itself or through licensees) will not do any act that knowingly infringes the intellectual property rights of any other Person.

(e) Such Borrower will notify the Collateral Agent as soon as possible (but in any event within five Business Days) if it knows, or has reason to know, that any application or registration relating to any Material Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding such Borrower ' s ownership of, or the validity of, any Material Intellectual Property or such Borrower ' s right to register the same or to own and maintain the same.

(f) Whenever such Borrower, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, such Borrower shall report such filing to the Collateral Agent within five Business Days after the last day of the fiscal quarter in which such filing occurs. Upon request of the Collateral Agent, such Borrower shall execute and deliver, and have recorded, if applicable, any and all agreements, instruments, documents, and papers as the Collateral Agent may request to evidence the Collateral Agent ' s security interest in any Intellectual Property.

(g) Such Borrower will take all reasonable and necessary steps, including in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the Material Intellectual Property, including filing of applications for renewal, affidavits of use and affidavits of incontestability.

(h) In the event that any Material Intellectual Property is infringed, misappropriated or diluted by a third party, such Borrower shall (i) take such actions as such Borrower shall reasonably deem appropriate under the circumstances to protect such Intellectual Property and (ii) if such Intellectual Property is of material economic value, promptly notify the Collateral Agent after it learns thereof and, after taking reasonable and customary measures to stop such infringement, sue for infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution.

6.11 Electronic Chattel Paper and Transferable Records . If any Borrower at any time holds or acquires an interest in any Electronic Chattel Paper or any " transferable record, " as that term is

defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, such Borrower shall promptly notify the Collateral Agent thereof and, at the request of the Collateral Agent, shall take such action as the Collateral Agent may reasonably request to vest in the Collateral Agent control under New York UCC Section 9-105 of such Electronic Chattel Paper or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Collateral Agent agrees with such Borrower that the Collateral Agent will arrange, pursuant to procedures reasonably satisfactory to the Collateral Agent and so long as such procedures will not result in the Collateral Agent ' s loss of control, for the Borrower to make alterations to the Electronic Chattel Paper or transferable record permitted under New York UCC Section 9-105 or, as the case may be, Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Borrower with respect to such Electronic Chattel Paper or transferable record.

6.12 Letter-of-Credit Rights . If any Borrower is at any time a beneficiary under any letter of credit now or hereafter issued in favor of such Borrower in amounts in the aggregate for all Borrowers in excess of $25,000, such Borrower shall promptly notify the Collateral Agent thereof and such Borrower shall, at the request of the Collateral Agent, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, use commercially reasonable efforts to either (i) arrange for the issuer and any confirmer of such letters of credit to consent to an assignment to the Collateral Agent of the proceeds of any drawing under such letters of credit or (ii) arrange for the Collateral Agent to become the transferee beneficiary of such letters of credit, with the Collateral Agent agreeing, in each case, that the proceeds of any drawing under such letters of credit are to be applied as provided in the TC&F Agreement.

6.13 Commercial Tort Claims . If any Borrower shall at any time hold or acquire any Commercial Tort Claim which might reasonably result in awarded damages (less any and all legal and other expenses incurred or reasonably expected to be incurred by such Borrower) in excess of $25,000, such Borrower shall promptly notify the Collateral Agent in writing signed by such Borrower of the brief details thereof and grant to the Collateral Agent, for the benefit of the Collateral Agent and the other Secured Parties, in such writing a security interest therein and in the Proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Collateral Agent.

6.14 Notice of Creation or Acquisition of Additional Collateral . Within 45 days after the end of each fiscal quarter, Company shall furnish the Collateral Agent with a report listing for such quarter:

(a) any Subsidiary formed or acquired by any Borrower;

(b) any certificated Securities or uncertificated Securities not held in a Securities Account acquired by any Borrower;

(c) any change in name, jurisdiction of organization, chief executive officer of any Borrower;

(d) all Promissory Notes, Instruments or Chattel Paper received by any Borrower;

(e) any Securities Account, Commodities Account or Deposit Account opened by any Borrower;

(f) all applications for and registration received by any Borrower in respect of any Intellectual Property;

(g) any Letter of Credit Rights acquired by any Borrower; and

(h) any Commercial Tort Claims acquired by any Borrower.

(h) any Commercial Tort Claims acquired by any Borrower.

6.15 Subordination of Indebtedness among Borrowers . Each Borrower hereby agrees that any Indebtedness of any other Borrower now or hereafter owing to such Borrower, whether heretofore, now or hereafter created (the " Borrower Subordinated Debt "), is hereby subordinated to all of the Obligations to the extent set forth in this Section 6.15. From and after the receipt from the Collateral Agent of a notice that (i) a Default has occurred and continuing and (ii) that the Collateral Agent is exercising its rights under this Section 6.15 (a " Notice of Actionable Default ") and prior to the withdrawal of all pending Notices of Actionable Default, the Borrower Subordinated Debt shall not be paid in whole or in part until the Obligations have been paid in full and this Agreement is terminated and of no further force or effect. No Borrower shall accept any payment of or on account of any Borrower Subordinated Debt at any time in contravention of the foregoing or the TC&F Agreement. From and after the delivery by the Collateral Agent of a Notice of Actionable Default and prior to the withdrawal of all pending Notices of Actionable Default, each Borrower shall pay to the Collateral Agent any payment of all or any part of the Borrower Subordinated Debt and any amount so paid to the Collateral Agent shall be applied to payment of the Obligations in such order as the Collateral Agent may elect. Each payment on the Borrower Subordinated Debt received in violation of any of the provisions hereof shall be deemed to have been received by such Borrower as trustee for the Collateral Agent and the other Secured Parties and shall be paid over to the Collateral Agent immediately on account of the Obligations, but without otherwise affecting in any manner such Borrower ' s liability herein. Each Borrower agrees to file all claims against any Borrower in any bankruptcy or other proceeding in which the filing of claims is required by law in respect of any Borrower Subordinated Debt, and the Collateral Agent shall be entitled to all of such Borrower ' s rights thereunder. If for any reason a Borrower fails to file such claim at least ten Business Days prior to the last date on which such claim should be filed, such Borrower hereby irrevocably appoints the Collateral Agent as its true and lawful attorney-in-fact and is hereby authorized to act as attorney-in-fact in such Borrower ' s name to file such claim or, in the Collateral Agent ' s discretion, to assign such claim to and cause proof of claim to be filed in the name of the Collateral Agent or its nominee. In all such cases, whether in administration, bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to the Collateral Agent the full amount payable on the claim in the proceeding, and, to the full extent necessary for that purpose, each Borrower hereby assigns to the Collateral Agent all of such Borrower ' s rights to any payments or distributions to which such Borrower otherwise would be entitled. If the amount so paid is greater than such Borrower ' s liability hereunder and under the other Transaction Documents, the Collateral Agent shall pay the excess amount to the party entitled thereto. In addition, each Borrower hereby irrevocably appoints the Collateral Agent as its attorney in fact to exercise all of such Borrower ' s voting rights in respect of any Borrower Subordinated Debt (other than in its capacity as a debtor or a debtor-in-possession) in connection with any bankruptcy proceeding or any plan for the reorganization of any Borrower. Each Borrower that is an obligor on any Borrower Subordinated Debt hereby consents to the provisions of this Section 6.15 and agrees to be bound by them.

6.16 Permitted Restructuring . Notwithstanding the foregoing provisions of this Section 6, each Borrower other than the Company shall be entitled to be liquidated, dissolved or wound up or to be merged with or otherwise transfer any of its assets and liabilities to the Company or one or more Subsidiaries of the Company, so long as the Borrower (i) gives the Collateral Agent at least 90 days ' prior written notice of such transaction and (ii) delivers to the Collateral Agent all such documents and takes all such other actions as are reasonably requested by the Collateral Agent in order to ensure that the Company or one or more of its Subsidiaries assumes all obligations of the Borrower under this Agreement and pledges, on terms at least as favorable as existed immediately prior to the applicable transaction, all Collateral pledged by such Borrower immediately prior to such transaction.

SECTION 7 REMEDIAL PROVISIONS

7.1 Certain Matters Relating to Receivables .

(a) The Collateral Agent shall have the right to make test verifications of the Receivables in any manner and through any medium that it reasonably considers advisable, and each

Borrower shall furnish all such assistance and information as the Collateral Agent may reasonably require in connection with such test verifications. At any time and from time to time, upon the Collateral Agent ' s reasonable request and at the expense of the relevant Borrower, such Borrower shall cause independent public accountants or others satisfactory to the Collateral Agent to furnish to the Collateral Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Receivables

(b) The Collateral Agent hereby authorizes each Borrower to collect such Borrower ' s Receivables, and the Collateral Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required by the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Receivables, when collected by any Borrower, (i) shall be immediately (and, in any event, within two Business Days) deposited by such Borrower in the exact form received, duly indorsed by such Borrower to the Collateral Agent if required, in a Collateral Account maintained under the sole dominion and control of the Collateral Agent, subject to withdrawal by the Collateral Agent only as provided in Section 7.5, and (ii) until so turned over, shall be held by such Borrower in trust for the Collateral Agent and the other Secured Parties, segregated from other funds of such Borrower. Each such deposit of payments of Receivables shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(c) After the occurrence and during the continuance of an Event of Default, at the Collateral Agent ' s request, each Borrower shall deliver to the Collateral Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Receivables, including all original orders, invoices and shipping receipts.

7.2 Communications with Obligors; Borrowers Remain Liable .

(a) The Collateral Agent, in its own name or in the name of others, may at any time after the occurrence and during the continuance of an Event of Default communicate with obligors under the Receivables or other contracts to verify with them to the Collateral Agent ' s satisfaction the existence, amount and terms of any Receivables or other contracts.

(b) Upon the request of the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, each Borrower shall notify obligors on the Receivables or other contracts that the Receivables or other contracts have been assigned to the Collateral Agent and that payments in respect thereof shall be made directly to the Collateral Agent.

(c) Anything herein to the contrary notwithstanding, each Borrower shall remain liable under each of the Receivables and all other contracts included in the Collateral to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. The Collateral Agent and the other Secured Parties shall not have any obligation or liability under any Receivable (or any agreement giving rise thereto) or other contracts by reason of or arising out of this Agreement or the receipt by the Collateral Agent or any other Secured Party of any payment relating thereto, nor shall the Collateral Agent or any other Secured Party be obligated in any manner to perform any of the obligations of any Borrower under or pursuant to any Receivable (or any agreement giving rise thereto) or other contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

7.3 Pledged Investments .

(a) Unless an Event of Default shall have occurred and be continuing and the Collateral Agent shall have given notice to the relevant Borrower of the Collateral Agent ' s intent to exercise its corresponding rights pursuant to Section 7.3(b), each Borrower shall be permitted to receive all cash dividends and other distributions paid in respect of the Pledged Stock and all cash payments made in respect of the Pledged Debt, in each case paid in the normal course of business of the relevant Issuer and

consistent with past practice, to the extent permitted in the TC&F Agreement and the Notes and to exercise all voting and corporate or other rights with respect to the Pledged Investments; provided , however , that no vote shall be cast or corporate or other right exercised or other action taken which, in the Collateral Agent ' s reasonable judgment, would impair the Collateral or which would be inconsistent with or result in any violation of any provision of the Notes, this Agreement or any other Transaction Document.

(b) If an Event of Default shall occur and be continuing and the Collateral Agent shall give notice of its intent to exercise its rights pursuant to this Section 7.3(b) to the relevant Borrower or Borrowers, (i) the Collateral Agent shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Pledged Investments and make application thereof to the Obligations in such order as the Collateral Agent may determine, and/or (ii) any or all of the Pledged Investments may be registered in the name of the Collateral Agent or its nominee, and the Collateral Agent or its nominee may thereafter exercise (x) all voting, corporate and other rights pertaining to such Pledged Investments at any meeting of shareholders of the relevant Issuer or Issuers or otherwise and (y) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Pledged Investments as if it were the absolute owner thereof (including the right to exchange at its discretion any and all of the Pledged Investments upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate or other structure of any Issuer, or upon the exercise by any Borrower or the Collateral Agent of any right, privilege or option pertaining to such Pledged Investments, and in connection therewith, the right to deposit and deliver any and all of the Pledged Investments with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Collateral Agent may determine), all without liability except to account for property actually received by it, but the Collateral Agent and the other Secured Parties shall have no duty to any Borrower to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing. Each Borrower hereby appoints the Collateral Agent, which appointment shall be exercisable only upon the occurrence and during the continuance of an Event of Default, such Borrower ' s true and lawful attorney-in-fact and grants to the Collateral Agent an IRREVOCABLE PROXY to exercise any action contemplated by the immediately preceding sentence in any manner the Collateral Agent reasonably deems advisable for or against all matters submitted or which may be taken by the shareholders. The power-of-attorney granted hereby is coupled with an interest and shall be irrevocable.

(c) Each Borrower hereby authorizes and instructs each Issuer of any Pledged Investments pledged by such Borrower hereunder to (i) comply with any instruction received by it from the Collateral Agent in writing that (x) states that an Event of Default has occurred and is continuing and (y) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Borrower, and each Borrower agrees that each Issuer shall be fully protected in so complying, and (ii) unless otherwise expressly permitted hereby, pay any dividends or other payments with respect to the Pledged Investments directly to the Collateral Agent.

7.4 Proceeds to be Turned Over to Collateral Agent . In addition to the rights of the Collateral Agent specified in Section 7.1 with respect to payments of Receivables, if an Event of Default shall occur and be continuing, all Proceeds received by any Borrower consisting of cash, checks and other near-cash items shall be held by such Borrower in trust for the Collateral Agent and the other Secured Parties, segregated from other funds of such Borrower, and shall, as soon as possible (but in any event within five Business Days) following receipt by such Borrower, be turned over to the Collateral Agent in the exact form received by such Borrower (duly indorsed by such Borrower to the Collateral Agent, if required). All Proceeds received by the Collateral Agent hereunder shall be held by the Collateral Agent in a Collateral Account maintained under its sole dominion and control. All Proceeds while held by the Collateral Agent in a Collateral Account (or by such Borrower in trust for the Collateral Agent and the other Secured Parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 7.5 hereof.

7.5 Application of Proceeds . At such intervals as may be agreed upon by the Company and the Collateral Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Collateral Agent ' s election, the Collateral Agent may, or at the direction of the holders of at

least a majority of the aggregate principal amount of the Notes then outstanding shall, apply all or any part of Proceeds constituting Collateral, whether or not held in any Collateral Account, and any proceeds of the guarantee set forth in Section 3, in payment of the Obligations in such order as the Collateral Agent may elect, and any part of such funds which the Collateral Agent elects not so to apply shall continue to be held as collateral security for the Obligations. Any balance of such Proceeds remaining after the Termination Date or after all Events of Default have been cured or waived shall be paid over to the Company or to whomsoever may be lawfully entitled to receive the same.

7.6 Code and Other Remedies . If an Event of Default shall occur and be continuing, the Collateral Agent may exercise, in addition to all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the New York UCC or any other applicable law. Without limiting the generality of the foregoing, the Collateral Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Borrower or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker ' s board or office of the Collateral Agent or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Collateral Agent or any other Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Borrower, which right or equity is hereby waived and released. Each Borrower further agrees, at the Collateral Agent ' s request, if an Event of Default shall occur and be continuing, to assemble the Collateral and make it available to the Collateral Agent at places which the Collateral Agent shall reasonably select, whether at such Borrower ' s premises or elsewhere. The Collateral Agent shall apply the net proceeds of any action taken by it pursuant to this Section 7.6, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Collateral Agent, including reasonable attorneys ' fees and other charges, to the payment in whole or in part of the Obligations, in such order as the Collateral Agent may elect and only after such application and after the payment by the Collateral Agent of any other amount required by any provision of law, including Section 9-615(a)(3) and (4) of the New York UCC, need the Collateral Agent account for the surplus, if any, to any Borrower. To the extent permitted by applicable law, each Borrower waives all claims, damages and demands it may acquire against the Collateral Agent arising out of the exercise by it of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

7.7 Private Sale; Registration Rights . (a) If the Collateral Agent shall determine to exercise its right to sell any or all of the Pledged Investments pursuant to Section 7.6, and if in the opinion of the Collateral Agent it is necessary or advisable to have the Pledged Investments, or that portion thereof to be sold, registered under the provisions of the Securities Act, the relevant Borrower will, at any time and from time to time, upon the written request of the Collateral Agent, use its best efforts to take or to cause the Issuer of such Pledged Investments to take such action, and prepare, distribute and/or file such documents, as are required or advisable in the reasonable opinion of the Collateral Agent to permit the public sale of such Pledged Investments including to (i) execute and deliver, and cause the directors and officers of such Issuer to execute and deliver, all such agreements, instruments and documents, and do or cause to be done all such other acts as may be, in the opinion of the Collateral Agent, necessary or advisable to register and sell the Pledged Investments, or that portion thereof to be sold, under the provisions of the Securities Act, (ii) use its best efforts to cause the registration statement relating thereto to become effective and to remain effective for a period of one year from the date of the first public offering of the Pledged Investments, or that portion thereof to be sold, and (iii) make all amendments thereto and/or to the related prospectus which, in the opinion of the Collateral Agent, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the Securities and

Exchange Commission applicable thereto or in the opinion of any underwriters selected by Collateral Agent to effectuate such purchase. Each Borrower further agrees to indemnify, defend and hold harmless the Collateral Agent, any underwriter and their respective officers, directors, affiliates and controlling persons from and against all loss, liability, expenses, costs of counsel (including reasonable fees and other charges of legal counsel to the Collateral Agent) and claims (including the costs of investigation) that they may incur insofar as such loss, liability, expense or claim arises out of or is based upon any alleged untrue statement of a material fact contained in any prospectus (or any amendment or supplement thereto) or in any notification or offering circular, or arises out of or is based upon any alleged omission to state a material fact required to be stated therein or necessary to make the statements in any thereof not misleading, except insofar as the same may have been caused by any untrue statement or omission based upon information furnished in writing to such Borrower or the Issuer of such Pledged Investment by the Collateral Agent expressly for use therein. Each Borrower further agrees, upon written request, to use its best efforts to qualify, file or register, or cause the Issuer of such Pledged Investments to (x) qualify, file or register any of the Pledged Investments under the " Blue Sky " or other securities laws of such states as may be requested by the Collateral Agent and keep effective, or cause to be kept effective, all such qualifications, filings or registrations and (y) to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act. Each Borrower will bear all costs and expenses of carrying out its obligations under this Section 7.7.

(b) Each Borrower recognizes that the Collateral Agent may be unable to effect a public sale of any or all the Pledged Investments, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Borrower acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that no such private sale shall be deemed to have been made in a commercially unreasonable manner solely because it has had such a result. The Collateral Agent shall be under no obligation to delay a sale of any of the Pledged Stock for the period of time necessary to permit the Issuer thereof to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if such Issuer would agree to do so.

(c) Each Borrower agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Investments pursuant to this Section 7.7 valid and binding and in compliance with any and all applicable Requirements of Law. Each Borrower further agrees that a breach of any of the covenants contained in this Section 7.7 will cause irreparable injury to the Collateral Agent, that the Collateral Agent has no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 7.7 shall be specifically enforceable against such Borrower, and such Borrower hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred under the TC&F Agreement.

7.8 Deficiency . Each Borrower shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Secured Obligations and the fees and other charges of any attorneys employed by the Collateral Agent to collect such deficiency.

7.9 Grant of License to Use Intellectual Property . For the purpose of enabling the Collateral Agent to exercise rights and remedies under this Agreement at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Borrower hereby grants to the Collateral Agent an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Borrowers) to use, license or sublicense any of the Collateral consisting of Intellectual Property now owned or hereafter acquired by such Borrower, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. The license (i) shall be subject to those exclusive Copyright Licenses, Patent Licenses and Trademark Licenses

granted by the Borrowers to other Persons in effect on the date hereof and those granted by any Borrower hereafter, as permitted under the Transaction Documents, to the extent conflicting, (ii) may be exercised, at the option of the Collateral Agent, only upon the occurrence and during the continuation of an Event of Default, provided , that any license, sublicense or other transaction entered into by the Collateral Agent in accordance herewith shall be binding upon the Borrowers notwithstanding any subsequent cure of an Event of Default, and (iii) apply to the use of the Trademarks in connection with goods and services of similar type and quality to those theretofore sold by such Borrower under such Trademark.

SECTION 8 THE COLLATERAL AGENT

8.1 Collateral Agent ' s Appointment as Attorney-in-Fact, etc.

(a) Each Borrower hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Borrower and in the name of such Borrower or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Borrower hereby gives the Collateral Agent the power and right, on behalf of such Borrower, without notice to or assent by such Borrower, to do any or all of the following upon the occurrence and during the continuation of an Event of Default:

(i) in the name of such Borrower or its own name, or otherwise, take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable or with respect to any other Collateral, and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Collateral Agent for the purpose of collecting any and all such moneys due under any Receivable or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request to evidence the Collateral Agent ' s security interest in such Intellectual Property and the goodwill and general intangibles of such Borrower relating thereto or symbolized thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement or any other Transaction Document and pay all or any part of the premiums therefor and the costs thereof;

(iv) execute, in connection with any sale provided for in Sections 7.6 or 7.7, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral;

(v) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct;

(vi) ask or demand for, collect and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral;

(vii) sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral;

(viii) commence and prosecute any suits, actions or proceedings at law or in

(viii) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral;

(ix) defend any suit, action or proceeding brought against such Borrower with respect to any Collateral;

(x) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Collateral Agent may deem appropriate;

(xi) assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Collateral Agent shall in its sole discretion determine; and

(xii) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and do, at the Collateral Agent ' s option and such Borrower ' s expense (including reasonable attorneys ' fees), at any time, or from time to time, all acts and things which the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Collateral Agent ' s security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Borrower might do.

(b) If any Borrower fails to perform or comply with any of its agreements contained herein or in any contract included in the Collateral, the Collateral Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The expenses of the Collateral Agent incurred in connection with actions undertaken as provided in this Section 8.1, together with interest thereon at a rate per annum equal to 2% per month from the date of payment by the Collateral Agent to the date reimbursed by the relevant Borrower, shall be payable by such Borrower to the Collateral Agent on demand.

(d) Each Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

8.2 Duties of Collateral Agent .

(a) The Collateral Agent ' s sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account.

(b) None of the Collateral Agent or any other Secured Party or any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Borrower or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof.

(c) The powers conferred on the Collateral Agent hereunder are solely to protect the interests of the Collateral Agent and the other Secured Parties in the Collateral and shall not impose any duty upon the Collateral Agent to exercise any such powers. The Collateral Agent and the other Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Borrower for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

8.3 Filing of Financing Statements . Each Borrower authorizes the Collateral Agent to

8.3 Filing of Financing Statements . Each Borrower authorizes the Collateral Agent to file or record financing statements, any amendments thereto and other filing or recording documents or instruments with respect to the Collateral without the signature of such Borrower in such form and in such offices as the Collateral Agent reasonably determines appropriate to perfect the security interests of the Collateral Agent and the other Secured Parties under this Agreement including any financing statement describing the collateral as " all assets, " " all personal property " or any similar description. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction.

8.4 Authority of Collateral Agent . Each Borrower acknowledges that the rights and responsibilities of the Collateral Agent under this Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Collateral Agent and the other Secured Parties, be governed by the TC&F Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and the Borrower, the Collateral Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Borrower shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

SECTION 9 MISCELLANEOUS

9.1 Amendments in Writing . None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 10(e) of the TC&F Agreement.

9.2 Notices . All notices, requests and demands to or upon the Secured Parties or the Borrowers hereunder shall be effected in the manner provided for in Section 10(f) of the TC&F Agreement; provided that any such notice, request or demand to or upon the Borrowers shall be addressed to them at their notice address set forth on Schedule 9.2 .

9.3 No Waiver; Cumulative Remedies . No failure to exercise, and no delay in exercising, on the part of the Collateral Agent or any other Secured Party, any right, remedy, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any other rights, remedies, powers or privileges provided by law.

9.4 Enforcement Expenses; Indemnification .

(a) Each Borrower agrees to pay or reimburse the Collateral Agent and each other Secured Party for all its costs and expenses incurred in collecting against such Borrower its Secured Obligations or otherwise enforcing or preserving any rights under this Agreement and the other Transaction Documents to which such Borrower is a party, including the fees and other charges of counsel (such as the allocated fees and expenses of in-house counsel) to the Collateral Agent or such Secured Party.

(b) Each Borrower agrees to pay, indemnify and hold the Collateral Agent and each other Secured Party harmless from any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise, sales and other similar taxes that may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) Each Borrower agrees to pay, indemnify and hold the Collateral Agent and the other Secured Parties and the other Indemnitees harmless from any and all Indemnified Liabilities and claims with respect to the execution, delivery, enforcement, performance and administration of this

Agreement to the extent the Company would be required to do so pursuant to Section 8 of the TC&F Agreement.

(d) The agreements in this Section 9.4 shall survive the termination of this Agreement and the repayment of the Obligations and all other amounts payable under the TC&F Agreement, the Notes and the other Transaction Documents.

9.5 Successors and Assigns . This Agreement shall be binding upon the successors and assigns of each Borrower and shall inure to the benefit of the Collateral Agent and the other Secured Parties and their respective successors and assigns and, to the extent expressly provided herein, their respective officers, directors, employees, affiliates, agents, advisors and controlling persons including as provided in Section 9.4; provided that no Borrower may assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent and any attempted assignment or transfer without such consent shall be null and void.

9.6 Counterparts; Borrowers ' Separate Agreements . This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission shall be as effective as delivery of a manually executed counterpart hereof. This Agreement shall become effective as to any Borrower when a counterpart hereof executed on behalf of such Borrower shall have been delivered to the Collateral Agent and a counterpart hereof shall have been executed on behalf of the Collateral Agent. This Agreement shall be construed as a separate agreement with respect to each Borrower and may be amended, modified, supplemented, waived or released with respect to any Borrower without the approval of any other Borrower and without affecting the obligations of any other Borrower hereunder.

9.7 Severability . Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction

9.8 Section Headings . The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

9.9 Integration . This Agreement and the other Transaction Documents represent the agreement of the Borrowers, the Collateral Agent and the other Secured Parties with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Collateral Agent or any other Secured Party relative to the subject matter hereof and thereof not expressly set forth or referred to herein or in the other Transaction Documents.

9.10 GOVERNING LAW . THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CHOICE OF LAW PROVISION THEREOF (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

9.11 Arbitration; Jurisdiction .

(a) Any dispute between the parties under or related to any Transaction Agreement shall be submitted to confidential arbitration pursuant to the expedited commercial arbitration rules of Pan Pacific Arbitration. The venue of any such arbitration shall be Los Angeles County, California. Each party hereby irrevocably waives personal service of process and consents to process being served in any such proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY

HAVE, AND AGREES NOT TO REQUEST, THAT A COURT HEAR ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT, ANY TRANSACTION DOCUMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY.

(b) Each party agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law.

(c) Each party waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 9.11 any special, exemplary, punitive or consequential damages.

9.12 Acknowledgments . Each Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Transaction Documents to which it is a party;

(b) the Collateral Agent and the other Secured Parties have no fiduciary relationship with or duty to any Borrower arising out of or in connection with this Agreement or any of the other Transaction Documents, and the relationship between the Borrowers, on the one hand, and the Collateral Agent and the other Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Transaction Documents or otherwise exists by virtue of the transactions contemplated hereby.

9.13 Additional Guarantors and Borrowers .

(a) Each Person that is not a Subsidiary of the Company as of the date of this Agreement, but becomes a Subsidiary of the Company after such date, and is (x) not a Foreign Subsidiary or (y) a Foreign Subsidiary that is also a Disregarded Person (unless such Disregarded Person is owned by a Foreign Subsidiary (including through one or more Disregarded Persons wholly owned by a Foreign Subsidiary)) shall become a Guarantor and Borrower for all purposes of this Agreement promptly upon becoming a Subsidiary by execution and delivery by such Subsidiary of an Assumption Agreement in the form of Annex II hereto (it being understood for the avoidance of doubt that any pledge or security granted by such Person shall not include any Excluded Property). Upon the execution and delivery by any Subsidiary of an Assumption Agreement, the supplemental schedules attached to such Assumption Agreement shall be incorporated into and become a part of and supplement the Schedules to this Agreement and each reference to such Schedules shall mean and be a reference to such Schedules as supplemented pursuant to each Assumption Agreement.

(b) Each Person that is not a Subsidiary of the Company as of the date of this Agreement, but becomes a Subsidiary of the Company after such date, and does not become a Guarantor or Borrower for the purposes of this Agreement shall, and the Borrowers shall cause such Subsidiary to, to the extent permitted by applicable law, join the negative pledge agreement referred to in Section 6.8(i) herein, expressly acknowledge the negative pledge contained therein and agree to be bound by all the terms thereof.

9.14 Releases .

(a) On the Termination Date, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination and the guarantee in Section 3 with respect to such surviving obligations) of the parties hereto shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Borrowers. At the request and sole expense of any Borrower following any such termination, the Collateral Agent shall deliver to such Borrower any Collateral held by the

Collateral Agent hereunder, and execute and deliver to such Borrower such documents as such Borrower shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by any Borrower in a transaction permitted by the TC&F Agreement, then the Collateral Agent, at the request and sole expense of such Borrower, shall execute and deliver to such Borrower all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Collateral. At the request and sole expense of the Company, a Borrower which is a Subsidiary of the Company shall be released from its obligations hereunder in the event that all the Capital Stock of such Borrower shall be sold, transferred or otherwise disposed of in a transaction permitted by the TC&F Agreement; provided that the Company shall have delivered to the Collateral Agent, at least ten Business Days (or such shorter period reasonably acceptable to the Collateral Agent) prior to the date of the proposed release, a written request for release identifying the relevant Borrower and the terms of the sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by the Company stating that such transaction is in compliance with the TC&F Agreement and the other Transaction Documents.

9.15 Foreign Borrower Provisions . Each Borrower that is a Foreign Borrower agrees as follows:

(a) The Foreign Borrower hereby irrevocably and unconditionally appoints CT Corporation System (the " Process Collateral Agent "), with an office on the date hereof at 111 Eighth Avenue, New York, New York 10011 as its agent to receive on behalf of such Foreign Borrower and its property service of copies of the summons and complaint and any other process which may be served in any action or proceeding referred to in Section 9.11 and agrees promptly to appoint a successor Process Collateral Agent in The City of New York (which successor Process Collateral Agent shall accept such appointment in writing in form and substance reasonably satisfactory to the Collateral Agent) prior to the termination for any reason of the appointment of the initial Process Collateral Agent. In any action or proceeding, such service may be made on such Foreign Borrower by delivering a copy of such process to such Foreign Borrower in care of the Process Collateral Agent at such Process Collateral Agent ' s above address and by depositing a copy of such process in the mails by certified or registered air mail, addressed to such Foreign Borrower at its address referred to in Section 9.2 (such service to be effective upon such receipt by the Process Collateral Agent and the depositing of such process in the mails as aforesaid). Such Foreign Borrower hereby irrevocably and unconditionally authorizes and directs such Process Collateral Agent to accept such service on its behalf.

(b) To the extent that such Foreign Borrower has or hereafter acquires any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its Property, such Foreign Borrower hereby irrevocably waives and agrees not to plead or claim such immunity in respect of its obligations under this Agreement and the other Transaction Documents.

(c) The Obligations of such Foreign Borrower shall, notwithstanding any judgment in a currency (the " Judgment Currency ") other than Dollars, be discharged only to the extent that on the Business Day following receipt by the Collateral Agent of any sum adjudged to be so due in the Judgment Currency, Collateral Agent may in accordance with normal banking procedures purchase Dollars with the Judgment Currency; if the amount of Dollars so purchased is less than the sum originally due to Collateral Agent in Dollars, such Foreign Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify Collateral Agent against such loss, and if the amount of Dollars so purchased exceeds the sum originally due to Collateral Agent, Collateral Agent agrees to remit to such Foreign Borrower, such excess.

9.16 Survival of Representations and Warranties . All representations and warranties made hereunder and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement.

IN WITNESS WHEREOF, each of the undersigned has caused this Loan, Guarantee, and Collateral Agreement to be duly executed and delivered as of the date first above written.

PROBE MANUFACTURING, INC., as Company and Borrower

By:
Kambiz Mahdi
Chief Executive Officer

CLEAN ENERGY HRS LLC, as Company and Borrower

By:
Name:
Title:

AGREED AND ACCEPTED

ETI PARTNERS IV LLC, as Collateral Agent

By ENERGY TECHNOLOGY INNOVATIONS INC., Manager

By:
Meddy Sahebi
President

FORM OF ACKNOWLEDGEMENT OF PLEDGE

ACKNOWLEDGEMENT OF PLEDGE, dated as of _____ [ ], 20__ (as amended, supplemented or otherwise modified from time to time, this " Agreement "), by [ISSUER] _____ (the " Acknowledging Pledgee ") in favor of ETI Partners IV LLC, a Delaware limited liability company, in its capacity as collateral agent (in such capacity together with its successors and assigns, the " Collateral Agent ") pursuant to the TC&F Agreement (as defined in the Loan, Guarantee and Collateral Agreement referred to below). All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Guarantee and Collateral Agreement.

W I T N E S S E T H :

WHEREAS, in connection with the Loan, Guarantee, and Collateral Agreement, dated as of September 11, 2015 (as amended, supplemented or otherwise modified from time to time, the " Guarantee and Collateral Agreement "), by and among the Borrowers in favor of the Collateral Agent, the Pledged Investments, other than any Excluded Equity, issued by the Acknowledging Pledgee have been pledged to the Collateral Agent; and

WHEREAS, pursuant to Section 6.8(h) of the Guarantee Collateral Agreement, the Acknowledging Pledgee is required to acknowledge and agree to the pledge and the grant of the security interest in such Pledged Investments.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Pledge Acknowledgment . The Acknowledging Pledgee hereby acknowledges and agrees that (i) it has received a true and complete copy of the Guarantee and Collateral Agreement, (ii) it shall be bound by the terms of the Guarantee and Collateral Agreement relating to the Pledged Investments issued by it and will comply with such terms insofar as such terms are applicable to it, including complying with instructions from the Secured Party as to such Pledged Investments, without further consent of any Borrower, (iii) it will notify the Collateral Agent promptly in writing of the occurrence of any of the events described in Sections 6.8(a), (b) and (f) of the Guarantee and Collateral Agreement with respect to the Pledged Investments issued by it and (iv) the terms of Sections 7.3(c) and 7.7 of the Guarantee and Collateral Agreement shall apply to it, *mutatis mutandis* , with respect to all actions that may be required of it pursuant to Section 7.3(c) or 7.7 of the Guarantee and Collateral Agreement with respect to the Pledged Investments issued by it.

2. Notices . Any notices, requests or other communications to the Acknowledging Pledgee hereunder must be in writing and personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, or by prepaid facsimile, telecopy, telegram (with messenger delivery specified), or other method of electronic communication, the address listed in the signature pages hereto. The parties may change the address at which they receive notice by giving notice to each other in the foregoing manner. Notices, requests or other communications sent in accordance with this Section 2 shall be deemed to be received on the earlier of the date of actual receipt or five calendar days after deposit in United States mail.

3. Amendments in Writing; No Waiver; Cumulative Remedies . None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Collateral Agent in accordance with Section 10(e) of the TC&F Agreement and the Acknowledging Pledgee; provided that any provision of this Agreement may be waived by the Collateral Agent in accordance with Section 10(e) of the TC&F Agreement in a letter or agreement

executed by the Collateral Agent or by facsimile telecopy, telegram or other method of electronic communication from the Collateral Agent.

No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

4. Successors and Assigns . This Agreement shall be binding upon the successors and assigns of the Acknowledging Pledgee and shall inure to the benefit of the Collateral Agent and its respective successors and assigns; provided that the Acknowledging Pledgee may not assign or otherwise transfer any of their rights or obligations under this Agreement without the prior written consent of the Collateral Agent and any attempted assignment or transfer without such consent shall be null and void.

5. Counterparts . This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile transmission), each of which shall be deemed an original and all of which taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission shall be as effective as delivery of a manually executed counterpart hereof.

6. Severability . Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7. Section Headings . The section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

8. GOVERNING LAW . THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CHOICE OF LAW PROVISION THEREOF (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

9. Dispute Resolution . Any dispute between the parties under or related to this Agreement shall be submitted to confidential arbitration pursuant to the expedited commercial arbitration rules of Pan Pacific Arbitration. The venue of any such arbitration shall be Los Angeles County, California. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, THAT A COURT HEAR ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT, ANY TRANSACTION DOCUMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY. Each party agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law. Each party waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 9 any special, exemplary, punitive or consequential damages. The Acknowledging Pledgee hereby irrevocably waives personal service of process and consent to process being served in any such suit, action or proceeding by mailing a copy thereof to the Acknowledging Pledgee at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. The Acknowledging Pledgee hereby irrevocably and unconditionally appoints CT Corporation System (the " Pledgee Process Collateral Agent "), with an office on the date hereof at 111 Eighth Avenue, New York, New York 10011 as its agent to receive on behalf of such Acknowledging Pledgee and its property service of copies of the summons and complaint and any other process which may be served in any action or proceeding referred to

above or any other proceeding and agrees promptly to appoint a successor Pledgee Process Collateral Agent in The City of New York (which successor Pledgee Process Collateral Agent shall accept such appointment in writing in form and substance reasonably satisfactory to the Collateral Agent) prior to the termination for any reason of the appointment of the initial Pledgee Process Collateral Agent. In any action or proceeding such service may be made on such Acknowledging Pledgee by delivering a copy of such process to such Acknowledging Pledgee in care of the Pledgee Process Collateral Agent at such Pledgee Process Collateral Agent ' s above address and by depositing a copy of such process in the mails by certified or registered air mail, addressed to such Acknowledging Pledgee at its address referred to in Section 2 of this Agreement (such service to be effective upon such receipt by the Pledgee Process Collateral Agent and the depositing of such process in the mails as aforesaid). Such Acknowledging Pledgee hereby irrevocably and unconditionally authorizes and directs such Pledgee Process Collateral Agent to accept such service on its behalf. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law.

10. Further Assurances . Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

11. Survival of Representations and Warranties . All representations and warranties made hereunder and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement.

12. Pronouns . All pronouns and any variations thereof used herein shall be deemed to refer to the masculine, feminine, or neuter, singular or plural, as the identity of the person or persons may require.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the undersigned have executed this Acknowledgement of Pledge as of day of , 20__.

[ISSUER],
a _____

By: _____
Name: _____
Title: _____

Address:

ACCEPTED and agreed as of day of , 20 .

ETI Partners IV LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ASSUMPTION AGREEMENT, dated as of , 20 , made by , a (the " Additional Borrower "), in favor of ETI Partners IV LLC, a Delaware limited liability company, as Collateral Agent for the benefit of the Collateral Agent and the other Secured Parties. All capitalized terms not defined herein shall have the meaning ascribed to them in the Loan, Guarantee, and Collateral Agreement referred to below.

W I T N E S S E T H :

WHEREAS, Probe Manufacturing, Inc., a Nevada corporation (the " Company "), the Investors and the Collateral Agent, among others, have entered into a TC&F Agreement, dated as of September 11, 2015 (as amended, supplemented or otherwise modified from time to time, the " TC&F Agreement ");

WHEREAS, in connection with the TC&F Agreement, the Company and certain of its Affiliates (other than the Additional Borrower) have entered into the Loan, Guarantee, and Collateral Agreement, dated as of September 11, 2015, (as amended, supplemented or otherwise modified from time to time, the " Guarantee and Collateral Agreement ") in favor of the Collateral Agent, for the benefit of the Collateral Agent and the other Secured Parties;

WHEREAS, the TC&F Agreement requires the Additional Borrower to become a party to the Guarantee and Collateral Agreement; and

WHEREAS, the Additional Borrower has agreed to execute and deliver this Assumption Agreement in order to become a party to the Guarantee and Collateral Agreement;

NOW, THEREFORE, IT IS AGREED:

1. Guarantee and Collateral Agreement . By executing and delivering this Assumption Agreement, the Additional Borrower, as provided in Section 9.13 of the Guarantee and Collateral Agreement, hereby becomes a party to the Guarantee and Collateral Agreement as a Guarantor and Borrower thereunder with the same force and effect as if originally named therein as a Guarantor and Borrower and, without limiting the generality of the foregoing, hereby expressly assumes all obligations and liabilities of a Guarantor and Borrower thereunder. In furtherance of the foregoing, the Additional Borrower, as security for the payment and performance in full of the Obligations, does (x) hereby create and grant to the Collateral Agent, for the benefit of the Collateral Agent and the other Secured Parties, a security interest in all of the Additional Borrower ' s right, title and interest in and to the Collateral of the Additional Borrower and (y) jointly and severally with the other Guarantors, unconditionally and irrevocably guarantee the prompt and complete payment and performance by the Company when due (whether at the stated maturity by acceleration or otherwise) of the Company Obligations. Each reference to a " Subsidiary, " a " Borrower " or a " Guarantor " in the Guarantee and Collateral Agreement shall be deemed to include the Additional Borrower. The Guarantee and Collateral Agreement is hereby incorporated herein by reference. The information set forth in Annex 1-A hereto is hereby added to the information set forth in the Schedules to the Guarantee and Collateral Agreement. The Additional Borrower hereby represents and warrants as to itself that each of the representations and warranties contained in Section 5 of the Guarantee and Collateral Agreement applicable to it is true and correct on and as the date hereof (after giving effect to this Assumption Agreement) as if made on and as of such date.

2. Representations of Additional Borrower . The Additional Borrower represents and warrants to the Collateral Agent and the other Secured Parties that this Assumption Agreement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors '

rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

3. Counterparts; Binding Effect. This Assumption Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which, when taken together, shall constitute a single contract. This Assumption Agreement shall become effective when (a) the Collateral Agent shall have received a counterpart of this Assumption Agreement that bears the signature of the Additional Borrower and (b) the Collateral Agent has executed a counterpart hereof. Delivery of an executed counterpart of a signature page of this Assumption Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Assumption Agreement.

4. Full Force and Effect. Except as expressly supplemented hereby, the Guarantee and Collateral Agreement shall remain in full force and effect.

5. Severability. Any provision of this Assumption Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability in such jurisdiction of the remaining provisions hereof and of the Guarantee and Collateral Agreement; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

6. Notices. All communications and notices hereunder shall be in writing and given as provided in Section 9.2 of the Guarantee and Collateral Agreement. All communications and notices hereunder to the Additional Borrower shall be given to it at the address set forth under its signature below.

7. Fees and Expenses. The Additional Borrower agrees to reimburse the Collateral Agent and each other Secured Party for its reasonable out-of-pocket expenses in connection with this Assumption Agreement, including the reasonable fees and other charges of counsel to the Collateral Agent and each other Secured Party.

8. GOVERNING LAW. THIS ASSUMPTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CHOICE OF LAW PROVISION THEREOF (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

IN WITNESS WHEREOF, the undersigned has caused this Assumption Agreement to be duly executed and delivered as of the date first above written.

[ADDITIONAL BORROWER], as Guarantor and Borrower

By: _____
Name:
Title:

Address for Notices:

_____

_____

_____

AGREED TO AND ACCEPTED

ETI Partners IV LLC, as Collateral Agent

By Energy Technology Innovations, Inc., Manager

By: _____
Name:
Title: