UNITED STATES
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): July 10, 2020

Live Ventures Incorporated
(Exact Name of Registrant as Specified in Charter)

Nevada	**001-33937**	**85-0206668**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

325 E. Warm Springs Road, Suite 102
Las Vegas, NV 89119
(Address of Principal Executive Offices and Zip Code)

Registrant's telephone number, including area code: 702-997-5968
(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 registrant under any of the following provisions (see General Instruction A.2. below):

☐ 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value per share	LIVE	The NASDAQ Stock Market LLC (The NASDAQ Capital Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

Acquisition of Precision Industries, Inc.

On July 14, 2020 (the "Closing Date"), Live Ventures Incorporated ("Live Ventures") entered into a definitive Agreement and Plan of Merger (the "Merger Agreement") with Precision Industries, Inc., a Pennsylvania corporation ("Precision"), President Merger Sub Inc., a Pennsylvania corporation and a wholly-owned subsidiary of Live Ventures ("Merger Sub"), and D. Jackson Milhollan, as shareholders' representative, pursuant to which Live Ventures acquired Precision by the consummation of a merger (the "Merger") of its Merger Sub with and into Precision, with Precision surviving the Merger.

Pursuant to the Merger Agreement, and subject to the terms and conditions contained therein, at the closing of the Merger, Live Ventures paid Precision's shareholders aggregate consideration of $31,475,000 in cash (the "Merger Consideration"), subject to (i) certain adjustments with respect to Precision's cash, expenses incurred in connection with the Merger, debt, and net working capital balances at the closing of the Merger, (ii) the withholding of a portion of the Merger Consideration in connection with the Precision shareholders' indemnification obligations under the Merger Agreement, and (iii) the withholding of a portion of the Merger Consideration as an expense account for the shareholders' representative. At the effective time of the Merger (the "Effective Time"), shares of Precision's outstanding common stock (the "Precision Common Stock") were converted into the right to receive a portion of the Merger Consideration in accordance with the terms of the Merger Agreement. None of the Precision shareholders exercised their dissenters or appraisal rights under the provisions of the Pennsylvania Associations Code (the "PAC").

The Merger Agreement contains customary representations, warranties, covenants, and agreements of Live Ventures, Merger Sub, and Precision, including indemnification rights in favor of Live Ventures that are customary for a transaction of this nature and magnitude.

Precision's Board of Directors unanimously (i) determined that the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Merger, were in the best interests of Precision and its shareholders, (ii) approved and declared it advisable to execute the Merger Agreement and to consummate the transactions contemplated thereby, including the Merger, and (iii) recommended the adoption of the Merger Agreement by Precision's shareholders, all in accordance with the PAC.

In connection with the Merger, Live Ventures formed "Precision Affiliated Holdings LLC", a Delaware limited liability company ("Precision Holdings"), as its wholly-owned subsidiary for the purpose of its holding 100% of the issued and outstanding shares of capital stock of Precision. Pursuant to the terms of a Contribution Agreement (the "Contribution Agreement") and in connection with the Merger and the financing of the acquisition of Precision, Live Ventures caused the capital stock of Precision to be vested in Precision Holdings.

The foregoing brief summary description of certain terms and provisions of the Merger Agreement and the Contribution Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Merger Agreement and the Contribution Agreement, copies of which are attached as Exhibit 2.1 and Exhibit 10.1, respectively, to this Current Report on Form 8-K.

The Merger Agreement, the Contribution Agreement, and the descriptions above have been included to provide investors and securityholders with information regarding the terms of the Merger Agreement and the Contribution Agreement. They are not intended to provide any other factual information about Live Ventures, Precision, or their respective subsidiaries, affiliates, or stockholders. The representations, warranties, and covenants contained in the Merger Agreement were made only for purposes of that agreement as of specific dates; were solely for the benefit of the parties to the Merger Agreement; and may be subject to limitations agreed upon by the parties, including being qualified by confidential disclosures made by each contracting party to the other for the purposes of allocating contractual risk between them that differ from those applicable to investors or securityholders. Investors and securityholders should be aware that the representations, warranties and covenants or any description thereof may not reflect the actual state of facts or condition of Live Ventures, Precision, Merger Sub, or any of their respective subsidiaries, affiliates, businesses, or stockholders. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Merger Agreement. Accordingly, investors and securityholders should read the representations and warranties in the Merger Agreement not in isolation but only in conjunction with the other information about Live Ventures and its subsidiaries that Live Ventures includes in reports, statements, and other filings it makes with the U.S. Securities and Exchange Commission.

Financing Transactions

Loan with Encina Business Credit, LLC

On the Closing Date, Precision Holdings, a wholly-owned subsidiary of Live Ventures and the holder of 100% of the issued and outstanding shares of capital stock of Precision and Merger Sub entered into a Loan and Security Agreement (the "Loan Agreement") by and among Precision and Merger Sub, as Borrowers, Precision Holdings, as a Loan Party Obligor, the lenders from time to time

party thereto, and Encina Business Credit, LLC, as Agent (the "Agent"). The Loan Agreement provides for a $1.72 million secured term loan (the "Term Loan"), and secured revolving loans (the "Revolving Loans", and together with the Term Loan, the "Encina Loans") in a principal amount not to exceed the lesser of (i) $23,500,000 and (ii) a borrowing base equal to the sum of (a) 85% of eligible accounts receivable of the two Borrowers, plus (b) 85% of eligible inventory of the two Borrowers, subject to an eligible inventory sublimit that begins at $14.0 million and declines to $12.0 during the term of the Loan Agreement, minus (c) customary reserves. The Encina Loans will be used (v) in connection with the consummation and financing of the Merger, (w) to repay in full certain indebtedness of Precision, (x) to pay the fees, costs, and expenses incurred in connection with the Loan Agreement and the Merger Agreement, (y) for Borrowers' working capital purposes, and (z) for other lawful business purposes.

The Revolving Loans bear interest at an interest rate equal to the one-month London interbank offered rate ("LIBOR") plus the applicable margin. The applicable margin ranges from 4.50% to 5.50% per annum (subject to a LIBOR floor of 1.00%) and is determined based on a pricing grid based on the Borrowers' inventory-to-accounts receivable availability ratio and average Revolving Loan excess availability. The applicable margin through January 31, 2021 is 5.50%. The Term Loan bears interest at an interest rate equal to LIBOR plus 6.50%.

The outstanding principal amounts of the Encina Loans and all accrued and unpaid interest are due and payable on July 14, 2023 (the "Scheduled Maturity Date"). The Term Loan requires monthly payments of principal in the amount of $28,666.67 plus accrued and unpaid interest. The Revolving Loans require monthly payments of accrued and unpaid interest. The Borrowers may prepay the Term Loan in whole or in part, and may prepay the Revolving Loans in part, at any time without penalty or premium. The Borrowers may prepay and terminate the Revolving Loans in whole at any time, subject to the payment (with certain exceptions described below) of an early termination fee equal to: (i) 3.0% of the Revolving Loan Commitment ($23,500,000) if prepaid during the period of time from and after the Closing Date up to the first anniversary of the Closing Date; (ii) 1.0% of the Revolving Loan Commitment on and after the first anniversary of the Closing Date, but on or before the second anniversary of the Closing Date, or (iii) 0.50% on and after the second anniversary of the Closing Date, but on or before the third anniversary of the Closing Date; provided, during the three months preceding the Scheduled Maturity Date, no early termination fee will be payable so long as Borrowers provide at least 90-days' prior written notice to Agent of such proposed Revolving Loan Commitment termination.

The Encina Loans are also subject to customary mandatory prepayments upon the occurrence of certain asset dispositions, casualty, taking or condemnation events, equity issuances, the incurrence of certain indebtedness, and receipt of extraordinary receipts.

The Encina Loans are secured by a lien on substantially all of the assets of Precision Holdings, the Borrowers, and any future subsidiaries of the Borrowers, and are guaranteed by Precision Holdings and future subsidiaries of the Borrowers.

The Loan Agreement contains certain representations and warranties, affirmative and negative covenants, financial covenants, conditions, and events of default that are customarily required for similar financings, which impose restrictions on, among other things, the ability of Precision Holdings, the Borrowers, and the Borrowers' subsidiaries to make investments, pay dividends or distributions, sell assets, incur additional debt and liens, and make capital expenditures.

The foregoing descriptions of the Loan Agreement do not purport to be complete and are qualified in their entirety by reference to the complete text thereof, a copy of which is attached as Exhibit 10.2 to this Current Report on Form 8-K.

Loan from Isaac Capital Group LLC

On July 10, 2020, Live Ventures borrowed $2.0 million (the "ICG Loan") from Isaac Capital Group LLC ("ICG"). The ICG Loan matures on May 1, 2025 and bears interest at a rate of 12.5% per annum. Interest is payable in arrears on the last day of each month, commencing July 31, 2020. Live Ventures used the proceeds from the ICG Loan to finance the acquisition of Precision. The ICG Loan documents contain events of default and other provisions customary for a loan of this type.

Jon Isaac, Live Ventures' President and Chief Executive Officer, is the President and sole member of ICG. As of June 17, 2020, Mr. Isaac is the beneficial owner of approximately 52.9% of the outstanding capital stock (on an as-converted and as-exercised basis) of Live Ventures, which percentage includes ICG's beneficial ownership of approximately 45.4% of the outstanding capital stock (on an as-converted and as-exercised basis) of Live Ventures.

The foregoing description of the ICG Loan is qualified in its entirety by reference to the complete text of the Loan and Security Agreement among Isaac Capital Fund I, LLC ("ICF") and certain direct and indirect wholly-owned subsidiaries of Live Ventures, dated as of July 6, 2015, and that certain Consent, Joinder and First Amendment to Loan and Security Agreement among ICF and certain of the same subsidiaries and one additional indirect wholly-owned subsidiary of Live Ventures, dated as of January 31, 2020, a copy of each of which is filed as Exhibit 10.18 and Exhibit 10.19, respectively, to Live Ventures' Annual Report on Form 10-K for the fiscal year ended September 30, 2019; the Second Amendment to Loan and Security Agreement and Novation by and among Live Ventures, Marquis Affiliated Holdings LLC, Marquis Industries, Inc., and Isaac Capital Fund I LLC, a copy of which is attached as Exhibit 10.3 to this Current Report on Form 8-K; and the Assignment and Assumption Agreement between ICF and ICG, dated as of July 10, 2020, of copy of which is attached as Exhibit 10.4 to this Current Report on Form 8-K .

Loan from Spriggs Investments LLC

On July 10, 2020, Live Ventures executed a promissory note (the "Spriggs Promissory Note") in favor of Spriggs Investments LLC ("Spriggs Investments"), a limited liability company whose sole member is Rodney Spriggs, the President and Chief Executive Officer of Vintage Stock, Inc., a wholly-owned subsidiary of Live Ventures, that memorializes a loan by Spriggs Investments to Live Ventures in the initial principal amount of $2,000,000 (the "Spriggs Loan"). The Spriggs Loan matures on July 10, 2022 and bears simple interest at a rate of 10.0% per annum. Interest is payable in arrears on the last day of each month, commencing July 31, 2020. Live Ventures may prepay the Spriggs Loan in whole or in part at any time or from time to time without penalty or premium by paying the principal amount to be prepaid, together with accrued interest thereon to the date of prepayment; provided, however, that, if Live Ventures prepays the Spriggs Loan in whole or in part on or prior to December 10, 2020, then Live Ventures would also be obligated to pay a prepayment penalty to Spriggs Investments in an amount equal to $100,000, less the amount of any interest paid or to be paid by Live Ventures up to the date of prepayment. Live Ventures used the proceeds from the Spriggs Loan to finance the acquisition of Precision. The Spriggs Promissory Note contains events of default and other provisions customary for a loan of this type. The Spriggs Loan was guaranteed by Jon Isaac, Live Ventures' President and Chief Executive Officer, and by ICG.

As of June 17, 2020, Mr. Spriggs is a record and beneficial owner of less than 1.0% of the outstanding capital stock of Live Ventures.

The foregoing descriptions of the Spriggs Loan and the Spriggs Promissory Note are qualified in their entirety by reference to the complete text of the Spriggs Promissory Note, a copy of which is attached as Exhibit 10.5 to this Current Report on Form 8-K.

Item 2.01. Completion of Acquisition or Disposition of Assets.

The information set forth in Item 1.01 above is incorporated by reference into this Item 2.01.

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 in Item 1.01 above is incorporated by reference into this Item 2.03.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors, Appointment of Certain Officers; Compensatory Arrangement of Certain Officers.

On the Closing Date, Thomas Sedlak, the former Senior Vice President of Precision, was appointed as the Chief Executive Officer of Precision. Mr. Sedlak, age 49, most recently served as Precision's Senior Vice President. Mr. Sedlak joined Precision in 2008 as the Controller and was promoted to Manager of Operations in October 2008. In January 2013, Mr. Sedlak was promoted to Vice President of Operations and, in November 2017, Mr. Sedlak was promoted to Senior Vice President. Prior to joining Precision, Mr. Sedlak had more than 11 years of financial management and controllership experience with PPG Industries and DQE Energy Services. Mr. Sedlak holds a Bachelor's Degree from Robert Morris University and Master of Business Administration from the University of Pittsburgh – Joseph M. Katz Graduate School of Business.

On the Closing Date, Mr. Sedlak and Precision entered into (i) an Employment Agreement (the "Employment Agreement") and (ii) a Deferred Compensation Agreement (the "Deferred Compensation Agreement"). Under the Employment Agreement, Mr. Sedlak was appointed as Precision's Chief Executive Officer through July 14, 2025, the date on which the Employment Agreement expires. Mr. Sedlak is entitled to an annual base salary of $275,000 and is eligible to participate in all employee plans, practices, and programs maintained by Precision. Mr. Sedlak is eligible for annual cash bonuses after the end of each fiscal year during the term based on the attainment by Precision of EBITDA within certain specified ranges as more fully described in the Employment Agreement. Mr. Sedlak is also entitled to receive a car allowance of $1,000 per month, an allowance of $4,000 to contribute to the purchase and/or lease of any vehicle that will be used as his primary vehicle, an allowance of $400 per month to contribute to the premiums of a $4.0 million life insurance policy, and an allowance of up to $500 per month to contribute to the purchase by him of a long-term disability insurance policy. In the event of a change of control of Precision and, if within six months of the change of control, Precision terminates Mr. Sedlak's employment for any reason other than for cause, death, or disability, then Mr. Sedlak will be entitled to an amount equal to his base salary in effect at the time for a period equal to 24 months Precision may terminate Mr. Sedlak for "cause" (as defined in the Employment Agreement), or, in the event Mr. Sedlak becomes disabled or is unable to perform the essential functions of his job for 90 days out of any 365-day period, without "cause." If Precision terminates Mr. Sedlak's employment without "cause", he will continue to receive his annual salary for a period of nine months following such termination and be entitled to receive a pro-rata portion of any earned bonus. Mr. Sedlak's employment agreement also contains customary confidentiality, non-competition, non-solicitation, and non-disparagement provisions. Under the terms of the Deferred Compensation Agreement, Precision has agreed to credit an account established in the name of Mr. Sedlak an amount equal to 15% of his annual base salary. Such credited amounts will be paid to Mr. Sedlak as deferred compensation after he experiences a separation from service as defined in the Deferred Compensation Agreement. Amounts credited to Mr. Sedlak under the Deferred Compensation Agreement are fully vested upon allocation and crediting.

The foregoing is a summary description of certain terms of the Employment Agreement and Deferred Compensation Agreement and does not purport to be complete, and it is qualified in its entirety by reference to the full text of the Employment Agreement and

the Deferred Compensation Agreement, copies of which are attached as Exhibit 10.6 and Exhibit 10.7, respectively, to this Current Report on Form 8-K.

Item 8.01. Other Events.

On July 15, 2020, Live Ventures issued a press release announcing the acquisition of Precision. A copy of the press release is furnished herewith as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits

(a) Financial Statements of Business Acquired.

The financial statements required by Item 9.01(a) of Form 8-K will be filed by amendment to this Form 8-K no later than 71 days after the date this initial Current Report on Form 8-K must be filed.

(b) Pro Forma Financial Information.

The pro forma financial statements required by Item 9.01(b) of Form 8-K will be filed by amendment to this Form 8-K no later than 71 days after the date this initial Current Report on Form 8-K must be filed.

(d) Exhibits.

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of July 14, 2020, by and among Live Ventures Incorporated, President Merger Sub Inc., Precision Industries, Inc., and D. Jackson Milhollan*
10.1	Contribution Agreement dated effective as of July 14, 2020 by and between Live Ventures Incorporated and Precision Affiliated Holdings LLC
10.2	Loan and Security Agreement dated July 14, 2020 by and among Precision Industries, Inc., President Merger Sub Inc., Precision Affiliated Holdings LLC, and the lenders party thereto
10.3	Second Amendment to Loan and Security Agreement and Novation Agreement dated as of July 10, 2020 by and among Live Ventures Incorporated, Marquis Affiliated Holdings LLC, Marquis Industries Inc., and Isaac Capital Fund I, LLC
10.4	Assignment and Assumption Agreement dated as of July 10, 2020 by and between Isaac Capital Fund I, LLC and Isaac Capital Group, LLC
10.5	Promissory Note dated July 10, 2020 issued by Live Ventures Incorporated in favor of Spriggs Investments, LLC
10.6	Employment Agreement, dated as of July 14, 2020, by and between Thomas Sedlak and Precision Industries, Inc.
10.7	Deferred Compensation Agreement, dated as of July 14, 2020, by and between Thomas Sedlak and Precision Industries, Inc.
99.1	Press Release, dated July 15, 2020

* Schedules and exhibits to the Merger Agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Live Ventures hereby undertakes to furnish copies of any of the omitted schedules and exhibits upon request by the Securities and Exchange Commission.

SIGNATURES

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

LIVE VENTURES INCORPORATED

By: /s/ Jon Isaac
Name: Jon Isaac
Title: Chief Executive Officer

Dated: July 16, 2020

Exhibit 2.1

Execution Version

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

LIVE VENTURES INCORPORATED,

PRESIDENT MERGER SUB INC.,

PRECISION INDUSTRIES, INC.,

AND

D. JACKSON MILHOLLAN, IN HIS CAPACITY AS THE SHAREHOLDERS' REPRESENTATIVE

DATED AS OF JULY 14, 2020

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AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (this "Agreement "), is entered into as of July 14, 2020, by and among Live Ventures Incorporated, a Nevada corporation (the "Parent"); President Merger Sub Inc., a Pennsylvania corporation (the "Merger Sub"); Precision Industries, Inc., a Pennsylvania corporation (the "Company"); and D. Jackson Milhollan, solely in his capacity as representative of the Shareholders as provided in this Agreement (the "Shareholders' Representative").

RECITALS

WHEREAS, the parties intend that Merger Sub be merged with and into the Company, with the Company surviving that merger on the terms and subject to the conditions set forth herein (the "Merger"); and

WHEREAS, the board of directors of the Company (the "Company Board") has unanimously (a) determined that this Agreement and the transactions contemplated hereby, including the Merger, are in the best interests of the Company and its shareholders, (b) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Merger, and (c) resolved to recommend adoption of this Agreement by the shareholders of the Company in accordance with the Pennsylvania Associations Code (the "PAC"); and

WHEREAS, immediately following the execution and delivery of this Agreement, the Company shall seek, in accordance with the PAC, the approval of its shareholders for the Merger and the transactions contemplated hereby; and

WHEREAS, the respective boards of directors of Parent and Merger Sub have unanimously (a) determined that this Agreement and the transactions contemplated hereby, including the Merger, are in the best interests of Parent and its stockholders and Merger Sub and its sole shareholder, and (b) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Merger; and

WHEREAS, at the Closing, Parent shall hold back a portion of the cash otherwise payable by Parent to the shareholders of the Company in connection with the Merger, the release of which shall be contingent upon certain events and conditions, all as set forth in this Agreement; and

WHEREAS, concurrently with the execution and delivery of this Agreement, and as a condition and inducement to Parent's willingness to enter into this Agreement, each of the Key Shareholders (as defined herein) has entered into a Voting and Support Agreement in the form attached hereto as Exhibit A, dated as of the date hereof, with respect to certain obligations of the Key Shareholders relating to this Agreement in their capacities as shareholders of the Company (the "Voting Agreements") as specified in the Voting Agreements; and

WHEREAS, the Company, Parent and Merger Sub desire to make certain representations, warranties, covenants and agreements in connection with this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.1 Definitions

. The following terms, whenever used herein, shall have the following meanings for all purposes of this Agreement.

"Accounting Methodology" means GAAP applied on a basis consistent with the methodologies, practices, estimation techniques, assumptions and principles used in the preparation of the Audited Balance Sheet.

"Accounts Receivable " means the accounts receivable of the Company as of the Effective Time.

"Acquisition Proposal" has the meaning set forth in Section 6.11(a).

"Action" means any audit, claim, demand, grievance, unfair labor practice charge, investigation, notice of violation, litigation, lawsuit, arbitration, mediation, subpoena or other legal proceeding, whether civil, criminal, administrative, regulatory or otherwise, in law or in equity.

"Actual Cash" has the meaning set forth in Section 3.3(c)(iv).

"Actual Indebtedness" has the meaning set forth in Section 3.3(c)(iv).

"Actual Net Working Capital" has the meaning set forth in Section 3.3(c)(iv).

"Actual Transaction Expenses" has the meaning set forth in Section 3.3(c)(iv).

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, and the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" has the meaning set forth in the Preamble.

"Appraisal Shares" has the meaning set forth in Section 2.7.

"Audited Balance Sheet" shall have the meaning as set forth in the definition of Financial Statements.

"Business Day" means any day that is not a Saturday, Sunday or other day on which banking institutions in the State of Delaware are authorized or required by Law or Order to close.

"Buy-Sell Agreement" means that certain Buy-Sell Agreement, dated as of November 17, 2015, between the Company and the Shareholders named therein.

"Cash and Cash Equivalents" means the aggregate amount, without duplication, of all cash and cash equivalents held by, and reflected on the books and records of, the Company ((a) including marketable securities, short term investments, and the amounts of any received but un-cleared checks, drafts and wires, and (b) excluding the amounts of (i) any issued but un-cleared checks, drafts and wires and (ii) any cash that is not freely usable by the Company or Parent because it is subject to restrictions, limitations, or Taxes on use or distribution by Law, Contract, or otherwise), determined in accordance with the Accounting Methodology. For the avoidance of doubt, the aggregate amount of any cash held by the Company immediately prior to the Effective Time that constitutes funds received by the Company pursuant to the PPP Loan shall be excluded pursuant to clause (b)(ii) of this definition of "Cash Equivalents".

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.

"Certificate" has the meaning set forth in Section 2.8.

"Change" has the meaning set forth in the definition of Material Adverse Effect.

"Closing" has the meaning set forth in Section 3.1.

"Closing Date" has the meaning set forth in Section 3.1.

"Closing Merger Consideration " means an amount equal to the sum of (a) the Enterprise Value, plus (b) the Estimated Cash, minus (c) the Estimated Transaction Expenses, minus (d) the Estimated Indebtedness, plus (e) the amount, if any, by which the Estimated Net Working Capital exceeds the Net Working Capital Target Top Collar Amount, minus (f) the amount, if any, by which the Estimated Net Working Capital is less than the Net Working Capital Target Bottom Collar Amount, minus (g) the Indemnity Holdback Amount, and minus (h) the Representative Expense Amount.

"Closing Per Share Merger Consideration" means an amount equal to (i) the Closing Merger Consideration, divided by (ii) the Fully Diluted Share Number.

"Closing Statement" has the meaning set forth in Section 3.3(b).

"Code" means the Internal Revenue Code of 1986, as from time to time amended.

"Company" has the meaning set forth in the Preamble.

"Company Board" has the meaning set forth in the Recitals.

"Company Board Recommendation" has the meaning set forth in Section 4.2(b).

"Company Common Stock" means the authorized shares of (a) Class A Voting Stock, par value $0.10 per share, of the Company, and (b) Class B Non-Voting Stock, par value $0.10 per share, of the Company.

"Company Documents" means all of the agreements, documents, instruments or certifications contemplated by this Agreement to be executed by the Company.

"Company Intellectual Property" has the meaning set forth in Section 4.13(a).

"Company Organizational Documents" means the articles of incorporation and bylaws (or the equivalent organizational documents) of the Company as in effect on the date of this Agreement (or as "then in effect" when such language is used herein in respect of the Company Organizational Documents).

"Company Plans" has the meaning set forth in Section 4.14(a).

"Company Registered Intellectual Property" means all patents, registered trademarks, registered service marks, registered trade names, registered corporate names, registered domain names and registered copyrights, and all pending applications for any of the foregoing that are owned by the Company.

"Company IT Systems" means all computer software and code, computer hardware, servers, networks, platforms, peripherals, and similar or related items of automated, computerized, or other information technology (IT) networks and systems (including telecommunications networks and systems for voice, data, and video) owned, leased, licensed, or used (including through cloud-based or other third-party service providers) by the Company.

"Confidential Information" has the meaning set forth in Section 6.3(b).

"Confidentiality Agreement" has the meaning set forth in Section 6.3(b).

"Consideration Spreadsheet" has the meaning set forth in Section 2.13.

"Contract" means any contract, indenture, note, bond, lease, deed, mortgage, license, commitment or other legally binding agreement, whether written or oral.

"Collection Protocols" has the meaning set forth in Section 3.4(c).

"D&O Indemnified Parties" has the meaning set forth in Section 6.7(a).

"D&O Tail Policy" has the meaning set forth in Section 6.7(c).

"date hereof" and "date of this Agreement" means the date first written above.

"Deductible" has the meaning set forth in Section 9.4(a).

"Direct Claim" has the meaning set forth in Section 9.5(c).

"Disclosure Schedules" has the meaning set forth in Article 4.

"Downward Adjustment Amount" has the meaning set forth in Section 3.3(e)(i).

"Effective Time" has the meaning set forth in Section 2.2.

"Encumbrance" means any and all liens, claims, charges, mortgages, options, pledges, rights of first offer or refusal, security interests, hypothecations, easements, rights-of-way, zoning restrictions, encroachments, defects or irregularities in title, community property interests, or other encumbrances or restrictions of any kind, in respect of any property or asset, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

"Enterprise Value" means an amount equal to $31,975,000 less the Remediation Cost.

"Environmental Claim" means any Action, Order, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom, by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) resulting from: (a) the presence, Release of, or exposure to, any Hazardous Materials or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

"Environmental Laws" means all applicable Laws, and any Order or binding agreement with any Governmental Authority, concerning pollution, protection of the environment, or the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials.

"Environmental Notice" means any written directive, notice of violation or infraction, or notice respecting any Environmental Claim relating to actual or alleged non-compliance with any Environmental Law or any term or condition of any Environmental Permit.

"Environmental Permit" means any permit, license, authorization, consent or similar approval required by or necessary to comply with Environmental Laws.

"Equitable Exceptions" has the meaning set forth in Section 4.2(a).

"Equity Interests" means (a) any partnership interests, (b) any membership interests or units, (c) any shares of capital stock, (d) any other interest or participation that confers on a Person the right to receive a unit of the profits and losses of, or distribution of assets of, the issuing entity, (e) any rights, subscriptions, calls, warrants, options, or commitments of any kind or character relating to, or entitling any Person or entity to purchase or otherwise acquire membership interests or units, capital stock, or any other equity securities, (f) any securities convertible into or exercisable or exchangeable for partnership interests, membership interests or units, capital stock, or any other equity securities, (g) restricted stock units, profits interests,

profit participation, stock appreciation rights, phantom stock, or (h) any other interest classified as an equity security of a Person.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"ERISA Affiliate" means any Person that is (or at any relevant time was or will be) (a) a member of a "controlled group of corporations" with, under "common control" with, or a member of an "affiliated service group" with the Company as such terms are defined in Section 414(b), (c), (m) or (o) of the Code or (b) treated together with the Company or any of its Affiliates as a "single employer" within the meaning of Section 414 of the Code.

"Estimated Cash" means the Company's good faith estimate of the Cash and Cash Equivalents as of immediately prior to the Effective Time, as set forth on the Estimated Closing Statement delivered to Parent pursuant to Section 3.3(a).

"Estimated Closing Statement" has the meaning set forth in Section 3.3(a).

"Estimated Indebtedness " means the Company's good faith estimate of the Indebtedness as of immediately prior to the Effective Time, as set forth on the Estimated Closing Statement delivered to Parent pursuant to Section 3.3(a).

"Estimated Net Working Capital" means the Company's good faith estimate of the Net Working Capital as of immediately prior to the Effective Time, as set forth on the Estimated Closing Statement delivered to Parent pursuant to Section 3.3(a); provided, however, the parties acknowledge and agree that the Company's Net Working Capital as of May 31, 2020, which is set forth on Exhibit B, shall be deemed the Estimated Net Working Capital for purposes of this Agreement.

"Estimated Transaction Expenses" means the Company's good faith estimate of the Transaction Expenses as of immediately prior to the Effective Time, as set forth on the Estimated Closing Statement delivered to Parent pursuant to Section 3.3(a).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchange Rates" means the exchange rates as reported by Bloomberg, L.P. on the Business Day immediately preceding the date of determination.

"Final Determination Date" has the meaning set forth in Section 3.3(c)(iv).

"Financial Statements" means (a) (i) the audited balance sheet of the Company as at December 31, 2019 (the "Audited Balance Sheet") and the related audited statements of income, cash flows, statements of operations, and changes in equity of the Company for the year then ended together with the notes and schedules thereto and (ii) the audited balance sheet of the Company as at December 31, 2018 and the related audited statements of income, cash flows, statements of operations, and changes in equity of the Company for the year then ended together with the notes and schedules thereto, and (b) (i) the unaudited balance sheet of the Company (the "Unaudited Balance Sheet") as at March 31, 2020 and the related unaudited statements of

income and cash flows of the Company for the three-month period then ended and (ii) the unaudited balance sheet of the Company as at March 31, 2019 and the related unaudited statements of income and cash flows of the Company for the three-month period then ended.

"Financing" has the meaning set forth in Section 6.13.

"Fully Diluted Share Number" means the aggregate number of Shares outstanding immediately prior to the Effective Time (other than Shares owned by the Company which are to be cancelled and retired in accordance with Section 2.6(a)).

"Fundamental Representations" has the meaning set forth in Section 9.4(c).

"GAAP" means, with respect to any date of determination, United States generally accepted accounting principles as in effect on such date of determination, consistently applied throughout the applicable period.

"Governmental Authority" means any nation or government, any state, province or other political subdivision thereof, or any government authority, agency, department, board, tribunal, commission or instrumentality of the United States of America, any foreign government, any state of the United States of America, or any municipality or other political subdivision thereof, and any court, tribunal or arbitrator(s) of competent jurisdiction, and any self-regulatory organization.

"Governmental Authorizations" means any permit, license, franchise, tariff, consent, approval or authorization by or of, or declaration or notice to or filing with, any Governmental Authority.

"Hazardous Material" means any (a) substance, material, waste, chemical, product, derivative, compound, mixture, solid, liquid, mineral or gas that is defined or regulated as "hazardous," or "toxic," or as a "pollutant," or a "contaminant" (or words of similar import) under any applicable Environmental Law and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation, and polychlorinated biphenyls.

"Indebtedness" means, with respect to the Company, all (a) indebtedness for borrowed money, whether long- or short-term and whether evidenced by a note, debenture, bond, mortgage or other debt instrument or debt security, (b) obligations under any interest rate, currency or other hedging agreement (in each case, valued at the termination value thereof), (c) obligations under any performance bond or letter of credit, but only to the extent drawn or called, (d) obligations for the deferred purchase price of property or services (other than current liabilities taken into account in the calculation of Net Working Capital) and deferred Tax liabilities, (e) capital lease obligations, (f) guarantees with respect to any indebtedness of any other Person of a type described in clauses (a) through (e) above, and (g) any unpaid interest, prepayment penalties, premiums, costs and fees that would arise or become due as a result of the prepayment of any of the obligations referred to in the foregoing clauses (a) through (f). Notwithstanding the foregoing, "Indebtedness" shall not include (i) any Indebtedness incurred by Parent and any of its Affiliates (and subsequently assumed by the Company) on the Closing Date in connection with the Financing or otherwise, (ii) any endorsement of negotiable instruments for collection in

the Ordinary Course of Business, (iii) any deferred revenue, (iv) any amounts taken into account in the determination of Estimated Transaction Expenses, Actual Transaction Expenses, Estimated Net Working Capital, or Actual Net Working Capital pursuant to Section 3.3 and (v) the PPP Loan. For any Indebtedness payable in non-United States dollars, the amount of such Indebtedness will be determined by using the Exchange Rates to denominate the value of such Indebtedness in United States dollars.

"Indemnified Litigation" means the matter set forth on Section 1.1(a) of the Disclosure Schedules.

"Indemnified Litigation Amount" has the meaning set forth in Section 9.6(b).

"Indemnified Litigation Expiration Date" has the meaning set forth in Section 9.1.

"Indemnified Party" has the meaning set forth in Section 9.5.

"Indemnified Taxes " means (a) all Pre-Closing Taxes (or the nonpayment thereof) of the Company, including all Pre-Closing Taxes payable to the State of California (including in connection with any VDA entered into by the Company with the applicable Governmental Authority of the State of California), (b) all Taxes of any member of an affiliated, consolidated, combined or unitary group of which the Company (or any predecessor of the Company) is or was a member on or prior to the Closing Date by reason of a liability under Regulation Section 1.1502-6 or any comparable provisions of foreign, state or local Law, (c) all Taxes of any Person imposed on the Company arising under the principles of transferee or successor liability or by Contract, relating to an event or transaction occurring before the Closing, (d) all Transition Taxes imposed on the Company, (e) all Transfer Taxes for which the Shareholders are responsible pursuant to Section 6.9(h); and (f) all Taxes that arise in the Post-Closing Tax Period with respect to any item identified in Section 4.12(o); provided, however, that Indemnified Taxes shall not include (i) any Taxes included as a reduction in the calculation of the Net Working Capital or Indebtedness, in each case as finally determined pursuant to Section 3.3, (ii) any Taxes resulting from any action taken by Parent or the Surviving Corporation after the Closing in contravention of Section 6.9(f); or (iii) any Taxes relating to the Real Property Transaction.

"Indemnifying Party" has the meaning set forth in Section 9.5.

"Indemnity Holdback Amount " means an amount equal to $2,500,000.

"Indemnity Holdback Period" has the meaning set forth in Section 9.1.

"Independent Accountant" means a nationally recognized public accounting firm that is agreed to in writing by Parent and the Shareholders' Representative and that, during the prior three years, was not engaged by either Parent or the Company. If Parent and the Shareholders' Representative are unable to reach agreement on the Independent Accountant, such Independent Accountant shall be the firm of Grant Thornton's Dallas office.

"Insurance Policies" has the meaning set forth in Section 4.16.

"Intellectual Property " means any and all rights in or arising out of any of the following in any jurisdiction throughout the world: (i) patents and patent applications; (ii) trademarks, service marks, trade dress, trade names, corporate names and logos, as well as all goodwill related thereto; (iii) copyrights and mask works; (iv) internet domain names, all associated web addresses, URLs, websites and web pages, and all content and data thereon or relating thereto; (iv) trade secrets under applicable Law, know-how, inventions, discoveries, improvements, technology, business and technical information, databases, data compilations and collections, tools, methods, processes, techniques, and other confidential and proprietary information and all rights therein; and (v) registrations, applications for registration, and renewals of, any of the foregoing.

"IRS" means the United States Internal Revenue Service.

"Key Employee" means Thomas Sedlak.

"Key Shareholders " means D. Jackson Milhollan and R. Allen Koch.

"Knowledge" means the actual knowledge, after reasonable inquiry, of (a) D. Jackson Milhollan, President and Chief Executive Officer of the Company, (b) R. Allen Koch, Executive Vice President of the Company, and (c) Thomas R. Sedlak, Senior Vice President of the Company.

"Law" means any federal, state, local or foreign law, statute, code, ordinance, tariff, treaty, directive (to the extent having the force of law), Order, rule or regulation.

"Letter of Transmittal" has the meaning set forth in Section 2.8(b).

"Look-Back Date" means January 1, 2019.

"Losses" means losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers; provided, however, that "Losses" shall not include consequential, indirect, special, exemplary, punitive or similar damages, except to the extent actually awarded to a Governmental Authority or other third party.

"Material Adverse Effect" means any event, act, change, effect, circumstance, state of facts or development (a "Change") that has, or would reasonably be expected to have, individually or in the aggregate with any other Change, a material and adverse effect on the business, financial condition, assets, prospects or results of operations of the Company or on the ability of the Company to consummate the transactions contemplated hereby on a timely basis; provided, however , that none of the following shall be deemed (either alone or in combination) to constitute, and none of the following shall be taken into account in determining whether there has been or may be, a Material Adverse Effect: (a) any Change affecting the United States or foreign economies or securities, financial, banking or credit markets (including changes in interest or exchange rates) or geopolitical conditions in general; (b) any Change that generally affects any industry in which the Company operates; (c) any Change that results from any action taken (or failure to take any action) by the Company, any Shareholder or the Shareholders'

Representative as required by or in compliance with this Agreement or with the prior written consent of or at the prior written request of Parent; (d) any Change that results from a change in applicable Law or accounting rules; (e) the failure of the Company to meet any of its internal projections (it being understood that the facts or occurrences giving rise to such failure may be taken into account in determining whether there has been a Material Adverse Effect to the extent permitted by this Agreement); (f) any Change that results from natural disasters or acts of nature, hostilities, acts of war, sabotage, terrorism or military actions, or any escalation or material worsening of any such hostilities, acts of war, sabotage, terrorism or military actions; (g) any Change resulting from the announcement of this Agreement or the consummation of the transactions contemplated by this Agreement; (h) any breach by Parent of its obligations under this Agreement, or (i) any epidemic, plague, pandemic or other outbreak of illness or public health event, including without limitation, the coronavirus disease known as COVID-19, except, in the case of each of clauses (a), (b), and (i) above, to the extent any such Change has had a disproportionate effect on the business of the Company compared to other participants in the industries in which the Company conducts its businesses.

"Material Contract" has the meaning set forth in Section 4.8(a).

"Merger" has the meaning set forth in the Recitals.

"Merger Consideration" means the Closing Merger Consideration, plus (a) any amounts that become payable in respect of the Shares from the Indemnity Holdback Amount or the Representative Expense Amount, in each case as provided in this Agreement, plus (b) any amounts that become payable in respect of the Shares in accordance with Section 3.3(d)(ii)(A), less (c) any amounts that become payable by the Shareholders to Parent or any Affiliate thereof in accordance with Section 3.3(e)(ii) or pursuant to any other provision of this Agreement.

"Merger Sub" has the meaning set forth in the Preamble.

"Multiemployer Plan" has the meaning set forth in Section 4.14(f).

"Net Working Capital" means an amount equal to the sum of (a) the current assets of the Company, including accounts receivable (net of reserves for doubtful accounts), inventory, prepaid expenses and other current assets, minus (b) the current liabilities of the Company, including accounts payable, accrued liabilities (including accrued paid time off and Taxes other than deferred Tax liabilities) and other current liabilities (including bonuses and payroll liabilities), in the case of each of clauses (a) and (b), determined in accordance with the Accounting Methodology; provided that, for purposes hereof, (i) the current assets of the Company shall not include (A) Cash and Cash Equivalents, (B) receivables from Affiliates, directors, employees, officers or shareholders of the Company or any of their respective Affiliates, (C) prepaid loan origination fees, deferred financing charges and any other prepaid expense of which Parent will not receive the benefit following the Closing, or (D) any deferred Tax assets, and (ii) the current liabilities of the Company shall not include (A) any deferred Tax liabilities, (B) Indebtedness taken into account in the determination of Estimated Indebtedness or Actual Indebtedness pursuant to Section 3.3, (C) the PPP Loan or (D) Transaction Expenses taken into account in the determination of Estimated Transaction Expenses or Actual Transaction Expenses pursuant to Section 3.3; provided, further, that, for purposes of calculating the value of

the inventory, the actual cost of such inventory shall be used and calculated in accordance with the Company's historical practices, which were used in calculating the inventory set forth in the Audited Balance Sheet and the Unaudited Balance Sheet. An illustrative calculation of the Net Working Capital as of May 31, 2020 is set forth on Exhibit B.

"Net Working Capital Target Bottom Collar Amount" means $27,250,000.

"Net Working Capital Target Range" means an amount that is not less than the Net Working Capital Target Bottom Collar Amount and not more than the Net Working Capital Target Top Collar Amount.

"Net Working Capital Target Top Collar Amount" means $27,750,000.

"Order" means any order, injunction, judgment, decree, ruling, writ, assessment or award of a Governmental Authority.

"Ordinary Course of Business" means, with respect to the Company, the ordinary and usual course of business of the Company consistent with past practice.

"Overpayment Amount" has the meaning set forth in Section 3.3(e)(ii).

"Owned Real Property" has the meaning set forth in Section 4.11(b).

"PAC" has the meaning set forth in the Recitals.

"Parent" has the meaning set forth in the Preamble.

"Parent Documents" means all of the agreements, documents, instruments or certifications contemplated by this Agreement to be executed by Parent or Merger Sub.

"Parent Indemnitees" has the meaning set forth in Section 9.2.

"PBGC" means the United States Pension Benefit Guaranty Corporation.

"Permitted Encumbrances " means, (a) for periods prior to the Closing, Encumbrances securing the obligations of the Company (which Encumbrances shall be released and removed prior to or as of the Closing), (b) Encumbrances for Taxes, assessments and other government charges not yet due and payable or which are being contested in good faith by appropriate proceedings and, in each case, for which appropriate reserves have been created in accordance with GAAP, (c) mechanics', workmen's, repairmen's, warehousemen's, carriers' or other like Encumbrances arising in the Ordinary Course of Business for amounts that are not yet due and payable or that are being contested in good faith by appropriate proceedings and, in each case, for which appropriate reserves have been created in accordance with GAAP that do not result from any breach, violation or default by the Company of any Contract or applicable Law, (d) Encumbrances securing rental payments under capitalized leases to the extent any such Encumbrance is contained within the applicable lease itself, (e) Encumbrances in favor of the lessors of Real Property leased by the Company to the extent any such Encumbrance is contained within the applicable lease itself, or encumbering the interests of such lessors in Real Property,

(f) non-exclusive licenses of Intellectual Property rights granted in the Ordinary Course of Business that, individually or in the aggregate, do not, and would not reasonably be expected to, materially interfere with the use of the Intellectual Property by the Company, (g) easements, rights-of-way, covenants, restrictions and other encumbrances of record as of the date hereof that an accurate survey would show, and (h) the Encumbrances set forth on Section 1.1(c) of the Disclosure Schedules.

"Person" means any individual, corporation (including any not for profit corporation), general or limited partnership, limited liability partnership, joint venture, estate, trust, firm, company (including any limited liability company or joint stock company), association, organization, entity or Governmental Authority.

"Post-Closing Tax Period" means any taxable period beginning after the Closing Date and, with respect to any Straddle Period, the portion of such Straddle Period beginning after the Closing Date.

"PPP Loan " means the loan made, or that may be made, to the Company by Citizens Bank pursuant to the CARES Act's Paycheck Protection Program and a promissory note, loan agreement, and/or equivalent evidence of indebtedness issued thereunder.

"PPP-Related Laws/Rules" means the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), the Small Business Administration's interpretation of the CARES Act and of the Paycheck Protection Program Interim Final Rule, the Small Business Act, the rules and regulations issued by any Governmental Authority in respect of any of the foregoing, and any other Laws applicable to the PPP Loan.

"Pre-Closing Tax Period" means any taxable period ending on or before the Closing Date and, with respect to any Straddle Period, the portion of such Straddle Period ending on and including the Closing Date.

"Pre-Closing Taxes" means Taxes of the Company for any Pre-Closing Tax Period.

"Privileged Materials" has the meaning set forth in Section 6.8(b).

"Pro Rata Share" means, with respect to any Shareholder, such Shareholder's ownership interest in the Company as of immediately prior to the Effective Time, determined by dividing (a) the number of Shares owned of record by such Shareholder by (b) the Fully Diluted Share Number.

"Qualified Company Plan" has the meaning set forth in Section 4.14(c).

"Real Property" means the real property owned, leased or subleased by the Company, together with all buildings, structures and facilities located thereon.

"Real Property Leases" has the meaning set forth in Section 4.11(a).

"Real Property Transaction" has the meaning set forth in Section 6.14(b).

"Related Persons" has the meaning set forth in Section 4.19.

"Release" means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, or dumping, of any Hazardous Material into or through the environment.

"Remediation Cost" means $500,000, which is the amount agreed upon by the parties as the estimated cost to remediate those environmental matters in respect of the Owned Real Property.

"Representative Expense Amount" has the meaning set forth in Section 6.10(c).

"Representatives" means, with respect to any Person, any director, manager, officer, agent, employee, general partner, member, stockholder, shareholder, advisor, accountant, financing source or other representative of such Person.

"Requisite Company Vote" has the meaning set forth in Section 4.2.

"SC Articles" has the meaning set forth in Section 2.4.

"SC Bylaws" has the meaning set forth in Section 2.4.

"Schedule Supplement" has the meaning set forth in Section 6.12.

"Shareholder" means a holder of Company Common Stock.

"Shareholder Indemnitees" has the meaning set forth in Section 9.3.

"Shareholder Notice" has the meaning set forth in Section 6.5(a).

"Shareholder PPP Period" has the meaning set forth in Section 6.13(b).

"Shareholders' Representative" has the meaning set forth in the Preamble.

"Shareholders' Representative Costs" has the meaning set forth in Section 6.13(d).

"Shares" means the shares of Company Common Stock.

"Single Employer Plan" has the meaning set forth in Section 4.14(d).

"Statement of Merger" has the meaning set forth in Section 2.2.

"Stout" has the meaning set forth in Section 4.18.

"Straddle Period" has the meaning set forth in Section 6.9(c).

"Subchapter D" has the meaning set forth in Section 2.7.

"Survey" has the meaning set forth in Section 6.14.

"Surviving Corporation" has the meaning set forth in Section 2.1.

"Tax" or "Taxes" means (a) all federal, state, county, local, municipal, foreign and other net income, gross income, gross receipts, alternative, estimated, sales, use, ad valorem, value added, transfer, conveyance, franchise, profits, registration, license, lease, service, service use, withholding, payroll, employment, excise, severance, social security, welfare, workers' compensation, unemployment, disability, environmental, stock, stamp, capital production, occupation, premium, real, personal or intangible property, windfall profits, transaction, title, customs, duties, levies, tariffs, imposts, amounts due under any escheat or unclaimed property Law or other taxes, fees, assessments or charges of any kind whatsoever (including any amounts resulting from the failure to file any Tax Return), (b) any interest and penalties, fines or additions to tax or additional amounts imposed in connection with (i) any item described in clause (a) or (ii) the failure to comply with any requirement imposed with respect to any Tax Return; and (c) any liability for payment of amounts described in clauses (a) or (b) whether as a result of transferee or successor liability, of being a member of an affiliated, consolidated, combined, unitary or similar group for any period or otherwise through operation of Law; and (d) any liability for the payment of amounts described in clauses (a), (b) or (c) as a result of any Tax sharing, Tax indemnity or Tax allocation agreement or any similar agreement.

"Tax Claim" has the meaning set forth in Section 6.9(b).

"Tax Returns" means any report, filing, form, declaration, return, information return, claim for refund, election, disclosure, estimate, statement or other document required by a Governmental Authority to be made, prepared or filed by Law in connection with Taxes, including any schedule or attachment thereto, and including any amendments thereof.

"Termination Date" has the meaning set forth in Section 10.1(b).

"Third Party Claim" has the meaning set forth in Section 9.5(a).

"Title Commitments" has the meaning set forth in Section 6.14.

"Transaction Documents" means the Company Documents and Parent Documents.

"Transaction Expenses" means, with respect to the Company, the aggregate amount of all fees, costs, and expenses of the Company incurred or payable prior to or as of the Effective Time (and not paid prior to the Effective Time) in connection with this Agreement and the transactions contemplated hereby (including those that become due and payable at or after the Closing pursuant to Contracts or other arrangements entered into by or on behalf of the Company prior to the Effective Time in connection with this Agreement and the transactions contemplated hereby), including (a) all fees (including brokers and finders fees) and expenses payable to attorneys, investment bankers (including Stout), accountants and other professional advisors retained by the Company or any Affiliate on behalf of the Company, including those arising out of or incidental to the discussion, evaluation, negotiation and documentation of the transactions contemplated hereby, in each case whether or not accrued or invoiced; (b) all retention, stay, sale, transaction, change of control, severance, incentive or similar bonuses or payments payable to directors, officers, employees or service providers of the Company in connection with the transactions contemplated by this Agreement and that are either unpaid as of the Closing or that are payable

at or following the Closing by virtue of obligations created by the Company prior to the Closing; (c) the fees, costs and expenses of any D&O Tail Policy obtained by the Company pursuant to Section 6.7(c) that are allocated to the Company pursuant to Section 6.7(c)(ii) and unpaid as of the Closing; and (d) the fees, costs and expenses of the Shareholders' Representative that are unpaid as of the Closing. For the avoidance of doubt, no fees or expenses of Parent, Merger Sub or their Affiliates (excluding, for the avoidance of doubt, the Company) are included in "Transaction Expenses"; and provided further, that "Transaction Expenses" shall not include any amounts taken into account in the determination of Estimated Indebtedness, Actual Indebtedness, Estimated Net Working Capital, or Actual Net Working Capital.

"Transfer Taxes" has the meaning set forth in Section 6.12.

"Transition Taxes " means any Taxes imposed pursuant to Sections 951 and 965 of the Code (as in effect following their amendment by Section 14103(a) of the Tax Cuts and Jobs Act) and the Treasury Regulations promulgated thereunder to the extent attributable to untaxed earnings existing on or before the Closing Date, treating for these purposes any deferred payments to be made with respect to such Taxes in a future Tax period as a result of an election pursuant to Section 965(h) of the Code as a Tax that has accrued and is due on the Closing Date.

"Transmittal Documents" has the meaning set forth in Section 2.6(a).

"Treasury Regulations" means the Treasury regulations promulgated under the Code.

"Unaudited Balance Sheet" shall have the meaning as set forth in the definition of Financial Statements.

"Uncollected A/R Amount" has the meaning set forth in Section 3.4(a).

"Uncollected A/R Cap" has the meaning set forth in Section 3.4(a).

"Union" has the meaning set forth in Section 4.17(b).

"Upward Adjustment Amount" has the meaning set forth in Section 3.3(d)(i).

"VDA" has the meaning set forth in Section 4.12(u).

"VDA Application" has the meaning set forth in Section 4.12(u).

"Voting Agreements" has the meaning set forth in the Recitals.

Section 1.2 Interpretive Provisions

. Unless the express context otherwise requires:

(a) the words "hereof," "herein" 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;

(b) terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa;

(c) the terms “Dollars” and “$” mean United States Dollars;

(d) references herein to a specific Section, Subsection, Recital, Schedule or Exhibit shall refer, respectively, to Sections, Subsections, Recitals, Schedules or Exhibits of this Agreement;

(e) wherever the word “include,” “includes,” or “including” is used in this Agreement, it shall be deemed to be followed by the words “without limitation”;

(f) references herein to any gender shall include each other gender;

(g) references herein to any Person shall include such Person’s heirs, executors, personal representatives, administrators, successors and assigns; provided, however, that nothing contained in this clause (g) is intended to authorize any assignment or transfer not otherwise permitted by this Agreement;

(h) references herein to a Person in a particular capacity or capacities shall exclude such Person in any other capacity;

(i) references herein to any Contract (including this Agreement) mean such Contract as amended, supplemented or modified from time to time in accordance with the terms thereof;

(j) with respect to the determination of any period of time, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding”;

(k) references herein to any Law or any license mean such Law or license as amended, modified, codified, reenacted, supplemented or superseded in whole or in part, and in effect from time to time;

(l) if the last day for the giving of any notice or the performance of any act required or permitted under this Agreement is a day that is not a Business Day, then the time for the giving of such notice or the performance of such action shall be extended to the next succeeding Business Day;

(m) the word “or” is not exclusive; and

(n) references herein to any Law shall be deemed also to refer to all rules and regulations promulgated thereunder.

The parties acknowledge and agree that (i) each party and its counsel reviewed and negotiated the terms and provisions of this Agreement and have contributed to its revision, (ii) the rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement, and (iii) the terms and provisions of this Agreement shall be construed fairly as to all parties, regardless of which party was generally responsible for the preparation of this Agreement.

ARTICLE 2

THE MERGER

Section 2.1 The Merger

. On the terms and subject to the conditions set forth in this Agreement, and in accordance with the PAC, at the Effective Time, (a) Merger Sub will merge with and into the Company, and (b) the separate corporate existence of Merger Sub will cease and the Company will continue its corporate existence under the PAC as the surviving corporation in the Merger (sometimes referred to herein as the "Surviving Corporation").

Section 2.2 Effective Time

. Subject to the provisions of this Agreement, at the Closing, the Company, Parent and Merger Sub shall cause the statement of merger (the "Statement of Merger ") to be executed, acknowledged and filed with the Department of State of the Commonwealth of Pennsylvania in accordance with the relevant provisions of the PAC and shall make all other filings or recordings required under the PAC. The Merger shall become effective at such time as the Statement of Merger has been duly filed with the Department of State of the Commonwealth of Pennsylvania or at such later date or time as may be agreed by the Company and Parent in writing and specified in the Statement of Merger in accordance with the PAC (the effective time of the Merger being hereinafter referred to as the "Effective Time").

Section 2.3 Effect of the Merger

. The Merger shall have the effects set forth herein and in the applicable provisions of the PAC. Without limiting the generality of the foregoing, and subject thereto, from and after the Effective Time, all property, rights, privileges, immunities, powers, franchises, licenses and authority of the Company and Merger Sub shall vest in the Surviving Corporation, and all debts, liabilities, obligations, restrictions and duties of each of the Company and Merger Sub shall become the debts, liabilities, obligations, restrictions and duties of the Surviving Corporation.

Section 2.4 Articles of Incorporation; By-laws

. At the Effective Time, (a) the articles of incorporation of Merger Sub as in effect immediately prior to the Effective Time, which shall be in the form attached as Exhibit C, shall be the articles of incorporation of the Surviving Corporation until thereafter amended in accordance with the terms thereof or as provided by applicable Law, and (b) the by-laws of Merger Sub as in effect immediately prior to the Effective Time, which shall be in the form attached as Exhibit D, shall be the by-laws of the Surviving Corporation until thereafter amended in accordance with the terms thereof, the articles of incorporation of the Surviving Corporation or as provided by applicable Law; provided, however, in each case, that the name of the corporation set forth therein shall be changed to the name of the Company (such articles and bylaws, the "SC Articles" and the "SC Bylaws", respectively).

Section 2.5 Directors and Officers

. Subject to Section 3.2(a)(vi), the directors and officers of Merger Sub, in each case immediately prior to the Effective Time, shall, from and after the Effective Time, be the directors and officers, respectively, of the Surviving Corporation until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the articles of incorporation and by-laws of the Surviving Corporation.

Section 2.6 Effect of the Merger on Common Stock

. At the Effective Time, as a result of the Merger and without any action on the part of Parent, Merger Sub, the Company or any Shareholder:

(a) Cancellation of Certain Company Common Stock. Shares that are owned by Parent, Merger Sub or the Company (as treasury stock or otherwise) or any of their respective direct or indirect wholly owned Subsidiaries shall automatically be cancelled and retired and shall cease to exist, and no consideration shall be delivered in exchange therefor.

(b) Conversion of Company Common Stock. Each Share issued and outstanding immediately prior to the Effective Time (other than Shares to be cancelled and retired in accordance with Section 2.6(a) and Appraisal Shares) shall be converted into the right to receive (i) the Closing Per Share Merger Consideration, payable without interest, together with (ii) a Pro Rata Share of any amounts that may become payable in respect of such Share in the future from (A) the Indemnity Holdback Amount or the Representative Expense Amount, in each case as provided in this Agreement, and (B) payment (if any) in accordance with Section 3.3(d)(ii)(A).

(c) Conversion of Merger Sub Capital Stock. Each share of common stock, no par value, of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and become one newly issued, fully paid and non-assessable share of common stock of the Surviving Corporation.

Section 2.7 Appraisal Rights

. Notwithstanding anything in this Agreement to the contrary, Shares issued and outstanding immediately prior to the Effective Time that are held by any holder or beneficial owner who is entitled to demand fair value of such Shares (the "Appraisal Shares") pursuant to, and who complies in all respects with, the provisions of the PAC, including compliance with Subchapter D of Chapter 15 of the PAC ("Subchapter D"), shall not be converted into the right to receive the Closing Per Share Merger Consideration and other amounts as provided in Section 2.6(b), but instead such holder or beneficial owner shall be entitled to payment of the fair value of such Appraisal Shares in accordance with Subchapter D. At the Effective Time, the Appraisal Shares shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and each holder or beneficial owner of Appraisal Shares shall cease to have any rights with respect thereto, except the right to receive the fair value of such shares in accordance with Subchapter D. Notwithstanding the foregoing, if any such holder or beneficial owner of Appraisal Shares shall fail to perfect or otherwise shall waive, withdraw or lose dissenter rights under Subchapter D or a court of competent jurisdiction shall determine that such holder or beneficial owner is not entitled to the relief provided by Subchapter D, then the right of such holder or beneficial owner to be paid the fair value of such holder's or beneficial owner's Appraisal Shares under Subchapter D shall cease and such Appraisal Shares shall be deemed to have been converted at the Effective Time into, and shall have become, the right to receive the Closing Per Share Merger Consideration and other amounts as provided in Section 2.6(b), without interest thereon. The Company shall give prompt notice to Parent of any demands for fair value of any Shares, withdrawals of such demands and any other instruments served pursuant to the PAC and received by the Company prior to the Effective Time, and Parent and the Company shall jointly participate in all negotiations and proceedings with respect to such demands. Neither Parent nor the Company shall, except with the prior

written consent of the other, make any payment with respect to, or settle or offer to settle, any such demands or approve any withdrawal of such demands. Notwithstanding anything to the contrary contained herein, no Shareholder shall have any right to demand fair value or seek appraisal of Shares if such right is not expressly provided for as a result of the Merger under Subchapter D, including after giving full effect to the exemptions set forth in Section 1571(b) of the PAC, and nothing in this Agreement is intended to confer any such right in circumstances where it is otherwise not so required. For the avoidance of doubt, (i) no action has been taken by the Company Board to grant appraisal or dissenters rights in connection with the transactions contemplated by this Agreement pursuant to Section 1571(c) of the PAC, and (ii) Parent shall be solely responsible for payment of the fair value of any Appraisal Shares, subject to Section 9.2(f).

Section 2.8 Surrender and Payment

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(a) At the Effective Time, all Shares outstanding immediately prior to the Effective Time shall automatically be cancelled and retired and shall cease to exist, and, subject to Section 2.7, each holder of a certificate formerly representing any Shares (each, a "Certificate") shall cease to have any rights as a shareholder of the Company.

(b) As promptly as practicable following the date hereof and in any event not later than five (5) Business Days thereafter, the Shareholders' Representative shall mail to each holder of Company Common Stock a letter of transmittal in substantially the form attached as Exhibit E (a "Letter of Transmittal" and, together with the applicable Certificate, the "Transmittal Documents") and instructions for use in effecting the surrender of Certificates in exchange for the applicable portion of the Merger Consideration pursuant to Section 2.6(b) . The Shareholders' Representative shall, no later than the later of (i) the Closing Date or (ii) five (5) Business Days after receipt of a Certificate, together with a Letter of Transmittal duly completed and validly executed in accordance with the instructions thereto, and any other customary documents that the Shareholders' Representative (including at the reasonable request of Parent) may reasonably require in connection therewith, pay to the holder of such Certificate a cash amount as provided in Section 2.6(b)(i) with respect to such Certificate so surrendered and the Certificate shall forthwith be cancelled. Unless otherwise provided herein, no interest shall be paid or shall accrue on any cash payable upon surrender of any Certificate. Until so surrendered, each outstanding Certificate that prior to the Effective Time represented shares of Company Common Stock (other than Shares described in Section 2.6(a) and Appraisal Shares) shall be deemed from and after the Effective Time, for all purposes, to evidence the right to receive the portion of the Merger Consideration as provided in Section 2.6(b). If after the Effective Time, any Certificate is presented to the Shareholders' Representative, it shall be cancelled and exchanged as provided in this Section 2.8. Any amounts to be paid by the Shareholders' Representative to a Shareholder pursuant to this Section 2.8(b) shall be paid exclusively from the funds delivered to the Shareholders' Representative by Parent pursuant to Section 3.2(b)(iii).

(c) Each Shareholder shall also be entitled to any amounts that may be payable in the future in respect of the Shares formerly represented by such Certificate from (i) the Indemnity Holdback Amount or the Representative Expense Amount, in each case as provided in this Agreement, and (ii) payment (if any) in accordance with Section 3.3(d)(ii)(A), at the respective times and subject to the contingencies specified herein. The Shareholders'

Representative shall, subject to the prior receipt by the Shareholders' Representative or Parent of a Certificate, together with a Letter of Transmittal duly completed and validly executed in accordance with the instructions thereto, and any other customary documents that the Shareholders' Representative (including at the reasonable request of Parent) may reasonably require in connection therewith, within five (5) Business Days after payment by Parent to the Shareholders' Representative, for the benefit of the Shareholders (in accordance with their respective Pro Rata Shares and their respective percentages set forth in the Consideration Spreadsheet), of any amounts that become payable in the future in respect of the Shares formerly represented by such Certificate (A) from the Indemnity Holdback Amount or the Representative Expense Amount, in each case as provided in this Agreement, or (b) in accordance with Section 3.3(d)(ii)(A), pay to the prior holder of such Certificate a cash amount as provided in Section 2.6(b)(ii) with respect to such Certificate. Unless otherwise provided herein, no interest shall be paid or accrued for the benefit of Shareholders on the Merger Consideration.

(d) If any portion of the Merger Consideration is to be paid to a Person other than the Person in whose name the surrendered Certificate is registered, it shall be a condition to such payment that (i) such Certificate shall be properly endorsed or shall otherwise be in proper form for transfer, and (ii) the Person requesting such payment shall pay to the Shareholders' Representative any Transfer Tax or other Tax required as a result of such payment to a Person other than the registered holder of such Certificate or establish to the reasonable satisfaction of the Shareholders' Representative that such Tax has been paid or is not payable.

(e) Any portion of the Merger Consideration that remains unclaimed by the Shareholders twelve (12) months after the Effective Time shall be returned to Parent, upon demand, and any such Shareholder who has not exchanged Transmittal Documents for the Merger Consideration in accordance with this Section 2.8 prior to that time shall thereafter look only to Parent for payment of the Merger Consideration; provided , that (i) any such portion of the Merger Consideration payable from the Indemnity Holdback Amount or the Representative Expense Amount, as applicable, shall be held and released, retained, and/or distributed, as applicable, by or to the Persons entitled thereto in accordance with the terms of this Agreement, at the respective times and subject to the contingencies specified herein and (ii) payment (if any) in accordance with Section 3.3(d)(ii)(A) to which the Shareholders may become entitled shall become payable at the time and subject to the contingencies specified herein. Notwithstanding the foregoing, Parent shall not be liable to any holder of Certificates for any amounts paid to a public official pursuant to applicable abandoned property, escheat or similar Laws.

Section 2.9 No Further Ownership Rights in Company Common Stock

. All Merger Consideration paid or payable upon the surrender of Certificates, in accordance with the terms hereof shall be deemed to have been paid or payable in full satisfaction of all rights pertaining to the Shares formerly represented by such Certificate, and from and after the Effective Time, there shall be no further registration of transfers of Shares on the stock transfer books of the Surviving Corporation. If, after the Effective Time, Certificates are presented to the Surviving Corporation, they shall be cancelled and exchanged for the Merger Consideration provided for, and in accordance with the procedures set forth, in this Article 2 and elsewhere in this Agreement.

Section 2.10 Adjustments

. Without limiting the other provisions of this Agreement, if at any time during the period between the date of this Agreement and the Effective Time, any change in the outstanding shares of capital stock of the Company shall occur, including by reason of any reclassification, recapitalization, stock split (including reverse stock split) or combination, exchange or readjustment of shares, or any stock dividend or distribution paid in stock, the Merger Consideration and any other amounts payable pursuant to this Agreement shall be appropriately adjusted to reflect such change.

Section 2.11 Withholding Rights

. Each of the Shareholders' Representative, Parent, Merger Sub and the Surviving Corporation shall be entitled to deduct and withhold from the consideration otherwise payable to any Person pursuant to this Article 2 such amounts as may be required to be deducted and withheld with respect to the making of such payment under any provision of Tax Law. To the extent that amounts are so deducted and withheld by the Shareholders' Representative, Parent, Merger Sub or the Surviving Corporation, as the case may be, such amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which the Shareholders' Representative, Parent, Merger Sub or the Surviving Corporation, as the case may be, made such deduction and withholding.

Section 2.12 Lost Certificates

. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if mutually agreed by Parent and the Shareholders' Representative (which agreement shall not be unreasonably withheld, conditioned, delayed, or denied), the posting by such Person of a bond, in such reasonable amount as Parent may direct, as indemnity against any claim that may be made against it with respect to such Certificate, the Shareholders' Representative shall issue, in exchange for such lost, stolen or destroyed Certificate, the Merger Consideration to be paid in respect of the Shares formerly represented by such Certificate as contemplated under this Article 2.

Section 2.13 Consideration Spreadsheet

. At least two (2) Business Days before the Closing, the Company shall prepare and deliver to Parent a spreadsheet (the "Consideration Spreadsheet"), certified by the Chief Executive Officer or the Chief Financial Officer of the Company, which shall set forth, as of immediately prior to the Effective Time, (a) the names and addresses of all Shareholders and the number (and class) of shares of Company Common Stock held by each such Shareholder, (b) calculations of the Closing Merger Consideration, the Fully Diluted Share Number and the Closing Per Share Merger Consideration, and (c) each Shareholder's Pro Rata Share (as a percentage interest and, in the case of the Closing Merger Consideration, the interest in dollar terms) of (i) the Closing Merger Consideration, (ii) the Indemnity Holdback Amount and (iii) the Representative Expense Amount. The parties agree that the Shareholders' Representative, Parent and Merger Sub shall be entitled to rely on the Consideration Spreadsheet in making payments to the Shareholders (or, in the case of Parent, in making payments to the Shareholders' Representative for the benefit of the Shareholders) pursuant to this Agreement and that Parent, Merger Sub and the Surviving Corporation shall not be responsible for the calculations or the determinations regarding such calculations in such Consideration Spreadsheet.

Section 2.14 Holdback Amount

. The parties acknowledge and agree that, at the Closing, Parent shall hold back the Indemnity Holdback Amount as a reduction to the Closing

Merger Consideration (as set forth in clause (g) of the definition of "Closing Merger Consideration"), to be held by Parent for the purposes of securing the obligations of the Shareholders for (i) any amount that becomes due to Parent pursuant to Section 3.3(e), Section 3.4 or Section 6.9 and (ii) any Loss for which the Parent Indemnitees are entitled to indemnification pursuant to Article 9.

ARTICLE 3

THE CLOSING; ADJUSTMENT TO MERGER CONSIDERATION

Section 3.1 Closing; Closing Date

. Subject to the terms and conditions of this Agreement, the consummation of the Merger (the "Closing") shall take place at 10:00 A.M. Pacific Time on the second (2nd) Business Day after the date that the conditions set forth in Article 7 and Article 8 (other than those conditions which, by their terms, are to be satisfied or waived at the Closing, but subject to the satisfaction or waiver of such conditions) shall have been satisfied or waived by the party entitled to waive the same, or at such other time and date that the Company and Parent may agree in writing. The Closing shall be conducted electronically via email. The date upon which the Closing occurs is referred to herein as the "Closing Date."

Section 3.2 Closing Deliverables

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(a) At or prior to the Closing, the Company shall deliver, or cause to be delivered, to Parent:

(i) at least five days prior to the Closing, the Estimated Closing Statement and the wire instructions for payment to the Shareholders' Representative of (A) the Closing Merger Consideration and (B) the Representative Expense Amount;

(ii) at least two (2) Business Days prior to the Closing, the Consideration Spreadsheet;

(iii) at least two (2) Business Days prior to the Closing, one or more invoices (with wiring instructions set forth therein) in respect of the Transaction Expenses;

(iv) at least two (2) Business Days prior to the Closing, payoff letters for all Indebtedness outstanding as of immediately prior to the Effective Time that is to be paid off by Parent at the Closing, which payoff letters shall indicate that the lenders of such Indebtedness have agreed to release all Encumbrances in respect of such Indebtedness relating to the assets and properties of the Company upon receipt of the amounts indicated in such payoff letters;

(v) discharges, UCC termination statements or other appropriate releases, in form and substance reasonably satisfactory to Parent, which when filed will release and satisfy any and all Encumbrances (other than Permitted Encumbrances) relating to any assets or properties of the Company;

(vi) duly executed written resignations or removals, effective as of the Closing, of the Company's officers and each of the members of the Company Board, in each case, that have been requested to resign by Parent in writing to the Company at least two (2) Business Days prior to the Closing Date;

(vii) a certificate, dated as of the Closing Date and signed by the Chief Executive Officer of the Company, certifying that (A) each of the conditions set forth in Section 7.1 and Section 7.2 have been satisfied, (B) attached thereto are true and complete copies of (1) all resolutions adopted by the Company Board authorizing the execution, delivery and performance of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby and (2) resolutions of the Shareholders approving the Merger and adopting this Agreement, and (C) all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby;

(viii) good standing certificate (or the equivalent) for the Company from the secretary of state or similar Governmental Authority of the Commonwealth of Pennsylvania;

(ix) a certificate, dated as of the Closing Date, certifying to the effect that no interest in the Company is a U.S. real property interest (such certificate in the form required by Treasury Regulation Section 1.897-2(h) and 1.1445-2(c)); and

(x) such other documents or instruments as Parent reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

(b) At the Closing, Parent shall deliver, or cause to be delivered, to the Company (or such other Person as may be specified) the following:

(i) payment, on behalf of the Company, by wire transfer of immediately available funds, of the applicable portion of the Estimated Transaction Expenses set forth in the Estimated Closing Statement, to each of the payees thereof in accordance with the applicable invoices delivered in accordance with Section 3.2(a)(iii);

(ii) payment, on behalf of the Company, of the Indebtedness outstanding as of immediately prior to the Effective Time that is set forth in the Estimated Closing Statement and that is to be paid off at the Closing, to holders of the Indebtedness and pursuant to the payoff letters delivered in accordance with Section 3.2(a)(iv);

(iii) payment to the Shareholders' Representative, by wire transfer of immediately available funds pursuant to the wire instructions delivered in accordance with Section 3.2(a)(i), of an amount equal to the Representative Expense Amount;

(iv) payment to the Shareholders' Representative, by wire transfer of immediately available funds pursuant to the wire instructions delivered in accordance with Section 3.2(a)(i), of an amount equal to the Closing Merger Consideration;

(v) a certificate, dated as of the Closing Date and signed by a duly authorized officer of Parent, certifying that (A) each of the conditions set forth in Section 8.1 and Section 8.2 have been satisfied, (B) attached thereto are true and complete copies of all resolutions adopted by the board of directors of Parent and Merger Sub authorizing the execution, delivery and performance of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby, and (C) all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby;

(vi) good standing certificates (or the equivalent) for (A) Parent from the secretary of state or similar Governmental Authority of the State of Nevada and (B) Merger Sub from the secretary of state or similar Governmental Authority of the Commonwealth of Pennsylvania; and

(vii) such other documents or instruments as the Company reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

Section 3.3 Adjustment to Merger Consideration

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(a) Closing Adjustment. At least five (5) days before the Closing, the Company shall prepare and deliver to Parent a statement duly certified by the Chief Financial Officer of the Company (the "Estimated Closing Statement ") setting forth the Company's good faith estimate of the Closing Merger Consideration, which shall reflect its good faith estimates and reasonably detailed calculations of (i) the Estimated Cash, (ii) the Estimated Transaction Expenses, (iii) the Estimated Indebtedness and (iv) the Estimated Net Working Capital. The Estimated Closing Statement shall be prepared based upon the books and records of the Company in accordance with the definitions as provided in this Agreement and the Accounting Methodology. If, within three (3) days following delivery of the Estimated Closing Statement, Parent delivers to the Company written notice of any objection to the Estimated Closing Statement based on Parent's good faith determination of any mathematical or methodological errors or any failure of the Closing Merger Consideration, Estimated Cash, Estimated Transaction Expenses, Estimated Indebtedness, or Estimated Net Working Capital to be calculated in accordance with the definitions as provided in this Agreement and the Accounting Methodology, then Parent and the Company will act in good faith to resolve between themselves any objections raised by Parent therein. If Parent does not deliver any notice of objection under this Section 3.3(a) or Parent and the Company are unable to resolve Parent's objections within two (2) days after the Company's receipt of Parent's notice of objection under this Section 3.3(a), then the Estimated Closing Statement delivered by the Company shall be binding on the parties for purposes of determining the Closing Merger Consideration.

(b) Post-Closing Adjustment. As promptly as reasonably practicable, but no later than ninety (90) days after the Closing Date, Parent shall cause to be prepared and delivered to the Shareholders' Representative a statement duly certified by Parent (the "Closing Statement") setting forth Parent's good faith determinations and reasonably detailed calculations of (i) the Cash and Cash Equivalents as of immediately prior to the Effective Time, (ii) the Transaction Expenses as of immediately prior to the Effective Time, (iii) the Indebtedness as of

immediately prior the Effective Time and (iv) the Net Working Capital as of immediately prior to the Effective Time.

(c) Dispute Resolution Procedures.

(i) If the Shareholders' Representative disagrees with Parent's calculation of the Cash and Cash Equivalents, Transaction Expenses, Indebtedness or Net Working Capital, in each case as reflected on the Closing Statement delivered pursuant to Section 3.3(b), the Shareholders' Representative may, within forty-five (45) days after delivery of the Closing Statement, deliver a notice to Parent providing reasonable detail of the reasons for such disagreement and setting forth the calculation of the items and amounts in dispute. Any such notice of disagreement shall specify all items or amounts as to which the Shareholders' Representative disagrees, and the Shareholders' Representative shall be deemed to have agreed with all other items and amounts, and the calculations thereof, set forth in the Closing Statement.

(ii) If a notice of disagreement is delivered pursuant to Section 3.3(c)(i), the Shareholders' Representative and Parent shall, during the thirty (30) days following such delivery, negotiate in good faith to reach written agreement on the disputed items or amounts. The matters set forth in any written resolution executed by the Shareholders' Representative and Parent shall be final and binding on the parties on the date of such written resolution.

(iii) If the Shareholders' Representative and Parent are unable to reach such agreement during such thirty (30) day period, the Shareholders' Representative and Parent shall promptly (and, in any event, within thirty (30) days thereafter) submit any matters in dispute to the Independent Accountant for resolution, who shall act as an accounting expert and not as an arbitrator. The Independent Accountant shall deliver to the Shareholders' Representative and Parent, as promptly as practicable (but in no event later than thirty (30) days from the date of engagement of the Independent Accountant), a written report as to the resolution of each disputed item, accompanied by a certificate of the Independent Accountant that it reached such determination in accordance with the definitions as provided in this Agreement and the Accounting Methodology. Such report shall be final and binding on the parties and shall not be subject to further review or appeal (absent manifest arithmetical error). The Independent Accountant shall consider only those items and amounts in the Shareholders' Representative's and Parent's respective calculations of Cash and Cash Equivalents, Transaction Expenses, Indebtedness or Net Working Capital, that were disputed within Shareholders' Representative's notice of disagreement and that the parties identify as being items and amounts to which the Shareholders' Representative and Parent have still been unable to agree. The Independent Accountant's determination of any disputed item shall be (A) based solely on (1) written materials submitted by the Shareholders' Representative and Parent (or by in-person telephonic conferences if mutually agreed by Parent, the Shareholders' Representative and the Independent Accountant) and not by independent review, and (2) the Accounting Methodology and on the definitions included herein and (B) limited to a determination as to whether it agrees with Parent's calculation(s) of the amount(s) of Cash and Cash Equivalents, Transaction Expenses, Indebtedness or Net

Working Capital, as applicable, or with the Shareholders' Representative's calculation(s) of the amount(s) of Cash and Cash Equivalents, Transaction Expenses, Indebtedness or Net Working Capital, as applicable. Until the calculations have been finally determined pursuant hereto, neither Parent nor the Shareholders' Representative shall, without the prior consent of the Shareholders' Representative (in the case of Parent) or Parent (in the case of the Shareholders' Representative), have any ex parte conversations or meetings with the Independent Accountant. Each party agrees to execute a reasonable engagement letter, if such letter is required by the Independent Accountant. The costs and expenses of the Independent Accountant shall be borne by the Shareholders' Representative, on the one hand, and Parent, on the other hand, based upon the percentage which the portion of the aggregate contested amount(s) not awarded to each party bears to the aggregate amount(s) actually contested by such party. Any costs, expenses or fees to be borne by the Shareholders' Representative pursuant to this Section 3.3(c)(iii) shall constitute Shareholders' Representative Costs and shall be paid, first, out of the Representative Expense Amount and, second, by the Shareholders in accordance with each Shareholder's respective Pro Rata Share.

(iv) The Closing Statement (and each of the components thereof) shall become final and binding on the parties (A) on the forty-sixth (46th) day following the delivery of the Closing Statement if a notice of disagreement has not been delivered to Parent by the Shareholders' Representative pursuant to Section 3.3(c)(i) , (B) with such changes as are necessary to reflect matters resolved pursuant to any written resolution executed pursuant to Section 3.3(c)(ii) , on the date such resolution is executed, if all outstanding matters are resolved through such resolution and/or (C) with such changes as are necessary to reflect the Independent Accountant's resolution of the matters in dispute (together with any changes necessary to reflect matters previously resolved pursuant to any written resolution executed pursuant to Section 3.3(c)(ii) and any matters not disputed pursuant to a notice of disagreement), on the date the Independent Accountant delivers its final, binding resolution pursuant to Section 3.3(c)(iii). The Cash and Cash Equivalents, the Transaction Expenses, the Indebtedness and the Net Working Capital, in each case as finally determined pursuant to this Section 3.3, are referred to herein as the "Actual Cash," the "Actual Transaction Expenses," the "Actual Indebtedness," and the "Actual Net Working Capital," respectively, and the last date upon which any such final determination is made pursuant to this Section 3.3 is referred to as the "Final Determination Date".

(d) Payment to Shareholders.

(i) For purposes of this Section 3.3, "Upward Adjustment Amount" means the sum of (A) the amount, if any, by which the Actual Cash exceeds the Estimated Cash, plus (B) the amount, if any, by which the Estimated Transaction Expenses exceeds the Actual Transaction Expenses, plus (C) the amount, if any, by which the Estimated Indebtedness exceeds the Actual Indebtedness plus (D) (1) if the Estimated Net Working Capital was greater than the Net Working Capital Target Top Collar Amount, and the Actual Net Working Capital is greater than the Estimated Net Working Capital, the amount by which the Actual Net Working Capital exceeds the Estimated Net Working Capital, (2) if the Estimated Net Working Capital was within the

Net Working Capital Target Range and the Actual Net Working Capital is greater than the Net Working Capital Target Top Collar Amount, the amount by which the Actual Net Working Capital exceeds the Net Working Capital Target Top Collar Amount, (3) if the Estimated Net Working Capital was less than the Net Working Capital Target Bottom Collar Amount and the Actual Net Working Capital is greater than the Estimated Net Working Capital but within the Net Working Capital Target Range, the amount by which the Net Working Capital Target Bottom Collar Amount exceeds the Estimated Net Working Capital, or (4) if the Estimated Net Working Capital was less than the Net Working Capital Target Bottom Collar Amount and the Actual Net Working Capital is greater than the Net Working Capital Target Top Collar Amount, the sum of (x) the amount by which the Actual Net Working Capital exceeds the Net Working Capital Target Top Collar Amount and (y) the amount by which the Net Working Capital Target Bottom Collar Amount exceeds the Estimated Net Working Capital, in each case as applicable.

(ii) If the Upward Adjustment Amount exceeds the Downward Adjustment Amount, then Parent shall, within three (3) Business Days after the Final Determination Date, pay to the Shareholders' Representative, for the benefit of the Shareholders (in accordance with each Shareholder's Pro Rata Share), by wire transfer of immediately available funds to a bank account designated in writing by the Shareholders' Representative, an amount equal to the excess of the Upward Adjustment Amount over the Downward Adjustment Amount.

(e) Payment to Parent.

(i) For purposes of this Section 3.3, "Downward Adjustment Amount" means the sum of (A) the amount, if any, by which the Estimated Cash exceeds the Actual Cash, plus (B) the amount, if any, by which the Actual Transaction Expenses exceeds the Estimated Transaction Expenses, plus (C) the amount, if any, by which the Actual Indebtedness exceeds the Estimated Indebtedness plus (D) (1) if the Estimated Net Working Capital was within the Net Working Capital Target Range and the Actual Net Working Capital is less than the Net Working Capital Target Bottom Collar Amount, the amount by which the Net Working Capital Target Bottom Collar Amount exceeds the Actual Net Working Capital, (2) if the Estimated Net Working Capital was greater than the Net Working Capital Target Top Collar Amount and the Actual Working Capital is less than the Estimated Net Working Capital but within the Net Working Capital Target Range, the amount by which the Estimated Net Working Capital exceeds the Net Working Capital Target Top Collar Amount, (3) if the Estimated Net Working Capital was less than the Net Working Capital Target Bottom Collar Amount and the Actual Net Working Capital is less than the Estimated Net Working Capital, the amount by which the Estimated Net Working Capital exceeds the Actual Net Working Capital, and (4) if the Estimated Net Working Capital was greater than the Net Working Capital Target Top Collar Amount and the Actual Net Working Capital is less than the Net Working Capital Target Bottom Collar Amount, the sum of (x) the amount by which the Estimated Net Working Capital exceeds the Net Working Capital Target Top Collar Amount and (y) the amount by which the Net Working Capital Target Bottom Collar Amount exceeds the Actual Net Working Capital, in each case as applicable.

(ii) If the Downward Adjustment Amount exceeds the Upward Adjustment Amount (such excess, the "Overpayment Amount"), the Shareholders shall be severally and not jointly (in accordance with their Pro Rata Shares) liable for the Overpayment Amount and Parent may, in its sole discretion, withhold and set off all or a portion of the Overpayment Amount against future payments of the Indemnity Holdback Amount, if any, without limiting any other rights and remedies available to Parent at law or in equity.

(f) Adjustment to Merger Consideration. The post-Closing purchase price adjustments as set forth in this Section 3.3 shall be treated as an adjustment to the Merger Consideration for income Tax purposes.

(g) Cooperation. The parties hereto (i) shall, and shall cause their respective Representatives to, cooperate and (ii) shall make available to one another and their respective employees and Representatives and, if applicable, the Independent Accountant, at reasonable times and with reasonable advance notice, such books, Contracts, records, work papers and appropriate personnel and other information (including work papers, appropriate personnel, and outside advisors) as any of the foregoing may reasonably request, in each case, to prepare and review the Estimated Closing Statement or the Closing Statement for the purposes contemplated in this Section 3.3 (including pre-Closing documentation needed to determine whether the Estimate Closing Statement or the Closing Statement was prepared consistently with the Accounting Methodology). Parent and the Company each acknowledge and waive any actual or potential conflict of employees of any party assisting the Company and Parent as described in this Section 3.3 and will not prevent such access by the Company.

Section 3.4 Accounts Receivable

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(a) For a period of nine (9) months after the Closing Date, Parent shall cause the Company to use commercially reasonable efforts to collect the Accounts Receivable in the Ordinary Course of Business; provided, however, that Parent will not be obligated to cause the Company to institute litigation, engage any collection agency, legal counsel or other third party, or take any other extraordinary means of collections or pay any expenses to third parties to collect the Accounts Receivable. All amounts collected by the Company after the Closing from an account debtor will be applied first to the Accounts Receivable of such account debtor in the order of their origination, unless the account debtor disputes such Accounts Receivable or designates or specifies payment of a different Accounts Receivable. If, by the opening of business on the Business Day following the date that is the nine-month anniversary of the Closing Date, less than 100% of the total amount of the Accounts Receivable included in the calculation of Actual Net Working Capital as finally determined pursuant to Section 3.3 (less the amount of doubtful accounts included within the calculation of the Actual Net Working Capital as finally determined pursuant to Section 3.3) has been collected by the Company (such shortfall amount, the "Uncollected A/R Amount"), then (a) Parent will provide to the Shareholders' Representative, within ten (10) Business Days thereafter, a written collection report in respect of the Accounts Receivable prepared in good faith and accompanied by reasonable supporting documentation, showing the Accounts Receivable collections for such nine-month period and the Uncollected A/R Amount and (b) Parent shall be entitled to deduct, release and retain the Uncollected A/R Amount from the Indemnity Holdback Amount in an aggregate amount not to

exceed $500,000 (the "Uncollected A/R Cap"). Parent shall reasonably cooperate with the Shareholders' Representative in answering any questions raised by the Shareholders' Representative in connection with its review of the collection report provided by Parent.

(b) For the avoidance of doubt, recovery from the Indemnity Holdback Amount up to the Uncollected A/R Cap shall be the sole and exclusive remedy available to Parent or any of its Affiliates against the Shareholders, the Shareholders' Representative, or any of their respective Affiliates or otherwise, arising out of or relating to the Uncollected A/R Amount and neither Parent nor any of its Affiliates shall have any claim against the Shareholders, the Shareholders' Representative, or any of their respective Affiliates or any of their respective managers, officers, directors, partners, members, stockholders, employees, advisors, consultants, agents or other representatives in respect thereof.

(c) Concurrent with any setoff of the Uncollected A/R Amount against the Indemnity Holdback Amount pursuant to Section 3.4(a), Parent shall cause the Company to assign to the Shareholders' Representative, for the benefit of the Shareholders (in accordance with their Pro Rata Shares), all right, title and interest in and to the Accounts Receivable comprising the Uncollected A/R Amount that was set-off against the Indemnity Holdback Amount (the "Uncollected Accounts"), free and clear of Encumbrances, which assignment shall be in form reasonably acceptable to the Shareholders' Representative; *provided*, *however*, that, in exercising any collection efforts with respect to any Uncollected Account of a customer set forth on Section 4.21(a) of the Disclosure Schedules, the Shareholders' Representative shall utilize ordinary collection methods and procedures as historically utilized by the Company but that do not include the use of, or the threat to use, a collection agency (or related service provider) or the commencement of litigation, except with Parent's prior written consent (such consent not to be unreasonably withheld, delayed, denied, or conditioned) (the "Collection Protocols"); *provided*, *further*, that, if Parent withholds such consent with respect to any Uncollected Account(s) of a customer in excess, in the aggregate, of $200,000, the Collection Protocols shall not apply to such customer.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the Disclosure Schedules attached hereto (collectively, the "Disclosure Schedules"), the Company represents and warrants to Parent, as of the date hereof and as of the Closing Date, as follows:

Section 4.1 Organization and Power

. The Company is a corporation duly incorporated, validly existing and in good standing under the Laws of the Commonwealth of Pennsylvania. The Company has all requisite organizational and corporate power and authority necessary to own, lease or operate its properties and other assets that it purports to own, lease or operate and to carry on its businesses as now conducted and as has been conducted in the past three years. The Company is qualified to do business and is in good standing in each jurisdiction in which the failure to be so qualified, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. The Company has made available to Parent, prior to

the execution of this Agreement, true and correct copies of the Company Organizational Documents.

Section 4.2 Authority; Binding Obligation; Board Approval

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(a) The Company has all requisite power and authority to execute and deliver this Agreement, the Company Documents and the other agreements contemplated hereby and thereby and to perform its obligations hereunder or thereunder and, subject to, in the case of the consummation of the Merger, adoption of this Agreement by the affirmative vote of the Shareholders representing a majority of the Shares entitled to vote thereon (the "Requisite Company Vote"), to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by the Company of this Agreement and the Company Documents and the consummation by the Company of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the Company's part and no other corporate proceedings on the Company's part are necessary to authorize the execution, delivery or performance of this Agreement or the Company Documents or to consummate the transactions contemplated hereby and thereby, subject only, in the case of consummation of the Merger, to the receipt of the Requisite Company Vote. The Requisite Company Vote is the only vote or consent of the holders of any class or series of the Company's capital stock required to approve and adopt this Agreement and the Company Documents, approve the Merger and consummate the Merger and the other transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Company and, assuming that this Agreement is a valid and binding obligation of the other parties hereto, this Agreement constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws from time to time in effect affecting generally the enforcement of creditors' rights and remedies; and (ii) general principles of equity (collectively, the "Equitable Exceptions"). When each Company Document has been duly executed and delivered by the Company (assuming that such Company Document is a valid and binding obligation of each other party thereto), such Company Document will constitute a legal and binding obligation of the Company enforceable against it in accordance with its terms, except as such enforceability may be limited by the Equitable Exceptions.

(b) The Company Board, by resolutions duly adopted by unanimous vote at a meeting of all directors of the Company duly called and held or by unanimous written consent and, as of the hereof, not subsequently rescinded or modified in any way, has, as of the date hereof and in accordance with the PAC and the Company Organizational Documents, (i) determined that this Agreement and the transactions contemplated hereby, including the Merger, are fair to, and in the best interests of the Shareholders, (ii) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Merger, (iii) directed that the transactions contemplated by this Agreement, including the Merger, be submitted to the Shareholders for adoption, and (iv) resolved to recommend that the Shareholders adopt this Agreement and the transactions contemplated hereby, including the Merger (collectively, the "Company Board Recommendation").

Section 4.3 Consents; No Conflict or Violation

. The execution, delivery and performance of this Agreement by the Company and the Company Documents and the consummation by the Company of the transactions contemplated hereby and thereby, including the Merger, do not and will not, (a) subject to, in the case of the Merger, obtaining the Requisite Company Vote, violate applicable Law, any Governmental Authorization or any Order, (b) except for the filing of the Statement of Merger, require any Governmental Authorizations or declaration or filing with, or notice to, any Governmental Authority, (c) violate the Company Organizational Documents, or (d) result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on any properties or assets of the Company.

Section 4.4 Capitalization

. The authorized capital stock of the Company consists of 1,000,000 shares of Class A Voting Stock, and 500,000 shares of Class B Non-Voting Stock. Section 4.4 of the Disclosure Schedules sets forth the issued and outstanding Shares as of the date of hereof. Such Shares constitute the only issued and outstanding Equity Interests of the Company. All of the Shares (i) have been duly authorized, are validly issued, fully paid and non-assessable, (ii) are not subject to, and were not issued in violation of, any preemptive right, (iii) are free and clear of all Encumbrances (other than restrictions on transfer arising under federal or state securities Laws) and (iv) were issued in compliance with applicable Law. Except for the Shares, the Company has no other outstanding Equity Interests. There are no authorized or outstanding rights, subscriptions, warrants, or options to purchase or, except as set forth in the Buy-Sell Agreement, otherwise acquire any Equity Interests of the Company or securities or obligations of any kind convertible into or exchangeable for any Equity Interests of the Company or any outstanding or authorized stock appreciation, dividend equivalent, phantom stock, profit participation or other similar rights with respect to the Company or any of its Equity Interests. There is no commitment by the Company to issue, sell or grant any Equity Interests or to repurchase or redeem any Equity Interests of the Company. All distributions, dividends, repurchases and redemptions of the Equity Interests of the Company were undertaken in compliance with the Company Organizational Documents then in effect, any agreement to which the Company then was a party and in compliance with applicable Law. Section 4.4 of the Disclosure Schedules sets forth as of the date hereof the name of each Person that is a registered or beneficial owner of any Shares and the number of Shares owned by such Person. Except for the Voting Agreements and the Buy-Sell Agreement, there are no voting trusts, shareholders agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of the Shares to which the Company is a party or of which the Company has Knowledge.

Section 4.5 No Subsidiaries

. The Company does not own or have any interest in any Equity Interest or have an ownership interest in any other Person.

Section 4.6 Financial Statements; No Undisclosed Liabilities; Inventory; PPP Loan

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(a) The Company has furnished Parent with complete copies of the Financial Statements. The Financial Statements (i) were prepared in accordance with GAAP, subject in the case of the Unaudited Balance Sheet to (A) the absence of footnote disclosures (that, if presented, would not differ materially from those presented in the Audited Balance Sheet) and (B) changes resulting from normal year-end adjustments (each of which would be immaterial individually and in the aggregate to the Unaudited Balance Sheet) and (ii) present fairly in all material respects the financial condition and results of operations of the Company as of the times

and for the periods referred to therein. The Company maintains a standard system of accounting established and administered in accordance with GAAP.

(b) The Company has no liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise, except (i) those that are adequately reflected or reserved against in the Unaudited Balance Sheet, (ii) those that have been incurred in the Ordinary Course of Business since the date of the Unaudited Balance Sheet and that are not, individually or in the aggregate, material in amount, and (iii) the Transaction Expenses.

(c) The cost of inventory reflected on the books and records of the Company is calculated in accordance with the historical practices of the Company that were used in calculating the inventory set forth in the Audited Balance Sheet and the Unaudited Balance Sheet.

(d) The Company was eligible under applicable PPP-Related Laws/Rules (i) to apply for the PPP Loan at the time of its application therefor and (ii) to accept the proceeds of the PPP Loan at the time of the tender to the Company thereof. Any use by the Company of the proceeds of the PPP Loan prior to the date of this Agreement has been in accordance with clauses (i) and (ii) of Section 6.13(b).

Section 4.7 Absence of Certain Developments

. During the period from the date of the Audited Balance Sheet to the date of this Agreement, the Company has conducted its businesses in the Ordinary Course of Business in all material respects. Since the date of the Audited Balance Sheet, there has been no event, occurrence or development that has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, nor, except as set forth in Section 4.7 of the Disclosure Schedules, has there been any action taken or failure to act by the Company that, if taken or failed to be taken during the period from the date of this Agreement through the Effective Time without Parent's consent, would constitute a breach of any of subsection (viii), (x), (xi) or (xiii) of Section 6.1(b).

Section 4.8 Contracts and Commitments

.

(a) Section 4.8(a) of the Disclosure Schedules sets forth a true and complete list of the following Contracts to which the Company is a party:

(i) any collective bargaining, works council, shop, enterprise or recognition agreement or other Contract with any Union;

(ii) any employment agreement with any employee of the Company;

(iii) any Contract relating to (A) Indebtedness, (B) the PPP Loan or (C) the mortgaging, pledging or otherwise placing of an Encumbrance (other than Permitted Encumbrances) on any of the Company's assets;

(iv) any lease or agreement under which it is the lessee of, or holds or operates any personal property owned by any other party, or lease or agreement under

which it is the lessor of or permits any third party to hold or operate any Company property, real or personal;

(v) any Contract, other than purchase orders entered into in the Ordinary Course of Business, (A) with the twenty-five (25) customers and twenty-five (25) suppliers/vendors of the Company that have purchased from or sold to, as applicable, the Company the most products or services (based upon consideration received/paid by the Company) since the Look-Back Date, (B) for the purchase or sale of materials, supplies, merchandise, equipment, parts or other property or services with other customers or suppliers requiring aggregate future payments in excess of $10,000, or (C) any guaranty of any obligation described in clauses (A) and (B);

(vi) any Contract for capital expenditures or the acquisition or construction of fixed assets for the benefit and use of the Company, the performance of which involves unpaid commitments or liabilities in excess of $10,000;

(vii) any Contract (A) for the acquisition (by merger or otherwise) of any business or securities of another Person or all or substantially all of the of the assets of another Person or (B) for the disposition of the assets or of any business enterprise of the Company other than dispositions of inventory and products of the Company in the Ordinary Course of Business, in each case that is the source of any surviving rights, obligations or other provisions;

(viii) any license, sublicense, consent to use agreement, settlement, coexistence agreement, covenants not to sue, permission or other Contract pursuant to which the Company grants rights to any third party or receives a grant of rights from any third party to use any Intellectual Property material to the operation of the business of the Company, other than agreements relating to off-the-shelf commercially available software available for an annual or one time license fee of less than $10,000 in the aggregate;

(ix) any Contract that requires the Company to purchase its total requirements of any product or service from a third party or that contain “take or pay” provisions;

(x) any broker, distributor, dealer, manufacturer’s representative, franchise, agency, sales promotion, market research, marketing consulting or advertising Contract;

(xi) any Contract with any Governmental Authority;

(xii) any Contract that limits the ability of the Company to compete in any line of business or with any Person or in any geographic area or during any period of time;

(xiii) any Contract that provides for any joint venture, partnership or similar arrangement by the Company; and

(xiv) any other Contract involving aggregate consideration in excess of $10,000 and which, in each case, cannot be cancelled by the Company without penalty or without more than 90 days' notice.

Each Contract of the type described in clauses (i) through (xiv) above (and each Real Property Lease required to be listed in Section 4.11(a) of the Disclosure Schedules) is referred to herein as a "Material Contract".

(b) The Company has made available to Parent a true and complete copy (including all amendments or modifications thereto) of each Material Contract (other than purchase orders entered into in the Ordinary Course of Business).

(c) With respect to each Material Contract, neither the Company nor, to the Knowledge of the Company, any other party thereto is (with or without the lapse of time or the giving of notice, or both) in material breach or default under such Material Contract, or has provided or received any notice of any written intention (or to the Company's Knowledge, verbal notice) to terminate such Material Contract.

(d) Except as set forth on Section 4.8(d) of the Disclosure Schedules, the execution, delivery and performance of this Agreement and the Company Documents by the Company and the consummation of the transactions contemplated hereby or thereby do not and will not conflict with or result in any material breach of, constitute a material default or an event that, with or without notice or lapse of time or both, would constitute a material default under, or result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any, or require any consent, notice or other material action by any Person under, the provisions of any Material Contract. No event has occurred, is pending or, to the Company's Knowledge, threatened in writing, which after the giving of notice, lapse of time or otherwise would constitute a material breach or default by the Company under any Material Contract or, to the Company's Knowledge, any other party to any Material Contract or would result in a termination thereof or cause or permit the acceleration or other changes of any material right or obligation or the loss of any material benefit thereunder.

(e) Each Material Contract is in full force and effect and constitutes a legal, valid and binding obligation of the Company, and, to the Company's Knowledge, constitutes a valid and binding obligation of the other parties thereto, in each case, except as such enforceability may be limited by the Equitable Exceptions.

Section 4.9 Compliance with Laws; Permits

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(a) The Company is, and since the Look-Back Date has been, in compliance in all material respects with all Laws applicable to the Company or its business, properties or assets.

(b) Except for those Governmental Authorizations required under Environmental Laws (the sole representations and warranties relating to which are set forth in Section 4.15), (a) the Company holds all Governmental Authorizations required to conduct its business, (b) all such Governmental Authorizations are valid and in full force and effect, and (c) the Company is in compliance in all material respects with all such Governmental Authorities.

(c) Without limiting the generality of Section 4.9(a), since the Look-Back Date, (i) the Company has complied in all material respects with, satisfied the conditions of, and made all filings and notices and obtained all consents, permissions, approvals and authorizations (and otherwise performed all acts) required under, all tariffs (including trade tariffs) applicable to the business or operation of the Company, including those issued under Section 232 of the United States Trade Expansion Act of 1962, as amended, and (ii) neither the Company nor, to the Company's Knowledge, any Person acting on its behalf, has (A) violated, or engaged in any activity, practice or conduct that would violate, any applicable anti-corruption Laws; (B) used corporate funds or assets for any unlawful contribution, gift, entertainment or other unlawful expense, or made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment; or (C) directly, or indirectly through Representatives, offered, promised, paid, given, or authorized the payment or giving of money or anything else of value, to any (1) official of any Governmental Authority or (2) other Person while knowing or having reason to believe that some portion or all of the payment or thing of value will be offered, promised or given, directly or indirectly, to an official of a Governmental Authority or another Person, in each case for the purpose of (x) influencing any act or decision of such official or such other Person in his, her or its official capacity, including a decision to do or omit to do any act in violation of his, her or its lawful duties or proper performance of functions or (y) inducing such official or such person or entity to use his, her or its influence or position with any Governmental Authority or other Person to influence any act or decision, in each case in order to obtain or retain business for, direct business to, or secure an improper advantage for, the Company.

Section 4.10 Litigation

. Except as set forth on Section 4.10 of the Disclosure Schedules, there are no, and since the Look-Back Date there have not been any, Actions pending or, to the Company's Knowledge, threatened in writing against the Company or any of its assets or properties or officers, directors or employees in their capacity as an officer, director or employee, respectively, at Law or in equity, or before or by any Governmental Authority. The Company is not subject to any material outstanding Order.

Section 4.11 Title to Real Property and Other Assets

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(a) Section 4.11(a) of the Disclosure Schedules sets forth a true and complete list of all of the Contracts under which the Company leases or subleases any Real Property (the "Real Property Leases"). With respect to Real Property Lease:

(i) The Company has made available to Parent a true and complete copy (including all amendments or modifications thereto) of each Real Property Lease required to be listed on Section 4.11(a) of the Disclosure Schedules.

(ii) Each Real Property Lease is in full force and effect, and the Company holds a valid and existing leasehold interest under each such lease; and neither the Company nor, to the Company's Knowledge, any party thereto is (with or without the lapse of time or giving notice, or both) in material breach or default under such lease. The Company is not a sublessor or grantor under any sublease or other instrument granting to any other Person any right to the possession, lease, occupancy or enjoyment of any Real Property leased by the Company.

(b) Section 4.11(b) of the Disclosure Schedules lists the address of any Real Property owned by the Company (the "Owned Real Property"). With respect to the Owned Real Property:

(i) the Company has good and marketable fee simple title thereto, free and clear of all Encumbrances, other than Permitted Encumbrances;

(ii) the Company has not leased or otherwise granted to any Person the right to use or occupy the Owned Real Property or any portion thereof;

(iii) the Company has made available to Parent true and complete copies of (A) the deeds and other instruments (as recorded) by which the Company acquired the Owned Real Property and (B) all title insurance policies, opinions, abstracts and surveys in the possession of the Company and relating to the Owned Real Property; and

(iv) the use and operation of the Owned Real Property in the conduct of the Company's business do not violate in any material respect any Law, covenant, condition, restriction, easement, license, permit or agreement, in each case applicable to the Company, its business, or the Owned Real Property. There are no Actions pending nor, to the Company's Knowledge, threatened against or affecting the Owned Real Property in the nature or in lieu of condemnation or eminent domain proceedings.

(c) The Company has good and valid title to, or a valid leasehold interest in, all personal property and other assets (excluding Real Property) reflected in the Unaudited Balance Sheet or acquired after the date of the Unaudited Balance Sheet, other than properties and assets sold or otherwise disposed of in the Ordinary Course of Business since the date of the Unaudited Balance Sheet. Except as set forth on Section 4.11(c) of the Disclosure Schedules, all such properties and assets (including leasehold interests) are free and clear of Encumbrances except for Permitted Encumbrances.

(d) To the actual conscious knowledge (as opposed to constructive knowledge) of the Key Shareholders, the material assets of the Company that constitute machinery or equipment used in the operation of the business of the Company as currently conducted are in good operating condition and repair, except for ordinary, routine maintenance and repairs that are not material in nature or cost, individually or in the aggregate.

Section 4.12 Tax Matters

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(a) All Tax Returns required to be filed by or with respect to the Company have been timely (within any applicable extension periods) filed, and all such Tax Returns are true, complete and correct in all respects and were prepared in accordance with applicable Laws.

(b) The Company has fully and timely paid, or there has been paid on their behalf, all Taxes due and owing by the Company (whether or not shown to be due on any Tax Return).

(c) The Company has withheld and paid each Tax required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, customer, shareholder or other party, and complied with all information reporting and backup withholding provisions of applicable Law.

(d) No claim has been made by any Governmental Authority in any jurisdiction where the Company does not file Tax Returns that it is, or may be, subject to Tax by that jurisdiction.

(e) The Company is not currently the beneficiary of any extension of time within which to file any Tax Return or pay any Taxes.

(f) The amount of the Company's liability for unpaid Taxes for all periods ending on or before the date of the Unaudited Balance Sheet does not, in the aggregate, exceed the amount of accruals for Taxes (excluding reserves for deferred Taxes) reflected on the Unaudited Balance Sheet. The amount of the Company's liability for unpaid Taxes for all periods following the date of the Unaudited Balance Sheet shall not, in the aggregate, exceed the amount of accruals for Taxes (excluding reserves for deferred Taxes) as adjusted for the passage of time in accordance with the past custom and practice of the Company (and which accruals shall not exceed comparable amounts incurred in similar periods in prior years).

(g) All deficiencies for Taxes asserted or assessed in writing against the Company have been fully and timely (within any applicable extension periods) paid, settled or properly reflected in the Financial Statements.

(h) No audit or other Action by any Governmental Authority is pending or, to the Knowledge of the Company, threatened in writing with respect to any Taxes due from or with respect to the Company.

(i) There are no outstanding agreements extending or waiving the statutory period of limitations applicable to any claim for, or the period for the collection or assessment or reassessment of, Taxes due from the Company for any taxable period and no request for any such waiver or extension is currently pending.

(j) The Company has made available to Parent copies of all federal, state, local and foreign income, franchise and similar Tax Returns, examination reports, and statements of deficiencies assessed against, or agreed to by, the Company for all Tax periods ending after December 31, 2015.

(k) There are no Encumbrances for Taxes (other than for current Taxes not yet due and payable) upon the assets of the Company.

(l) The Company is not a party to, or bound by, any Tax indemnity, Tax sharing, Tax allocation agreement, or similar agreement.

(m) Except as set forth on Section 4.12(m) of the Disclosure Schedules, no private letter rulings, technical advice memoranda or similar agreement or rulings have been entered into or issued by any Governmental Authority with respect to the Company and Taxes.

(n) The Company has never been a member of an affiliated, combined, consolidated or unitary Tax group for Tax purposes. The Company has no liability for Taxes of any Person (other than the Company) under Treasury Regulations Section 1.1502-6 (or any corresponding provision of state, local or foreign Law), as transferee or successor, by contract or otherwise.

(o) The Company will not be required to include any item of income in, or exclude any item or deduction from, taxable income for any taxable period or portion thereof ending after the Closing Date as a result of:

(i) any change in a method of accounting under Section 481 of the Code (or any comparable provision of state, local or foreign Tax Laws), or use of an improper method of accounting, for a taxable period ending on or prior to the Closing Date;

(ii) an installment sale or open transaction occurring on or prior to the Closing Date;

(iii) a prepaid amount received on or before the Closing Date;

(iv) any closing agreement under Section 7121 of the Code, or similar provision of state, local or foreign Law, entered into on or before the Closing Date; or

(v) any election under Section 108(i) of the Code.

(p) The Company is not, nor has it been, a United States real property holding corporation (as defined in Section 897(c)(2) of the Code) during the applicable period specified in Section 897(c)(1)(a) of the Code.

(q) The Company has not, within the past six years, been a "distributing corporation" or a "controlled corporation" in connection with a distribution described in Section 355 of the Code.

(r) The Company is not, and has not been, a party to, or a promoter of, a "reportable transaction" within the meaning of Section 6707A(c)(1) of the Code and Treasury Regulations Section 1.6011-4(b).

(s) Section 4.12(s) of Disclosure Schedules sets forth all foreign jurisdictions in which the Company is subject to Tax, is engaged in business or has a permanent establishment (with the meaning of an applicable Tax treaty) or otherwise has an office or fixed place of business in a country other than the United States.

(t) No property owned by the Company is (i) required to be treated as being owned by another person pursuant to the so-called "safe harbor lease" provisions of former Section 168(f)(8) of the Internal Revenue Code of 1954, as amended, (ii) subject to Section 168(g)(1)(A) of the Code, or (iii) subject to a disqualified leaseback or long-term agreement as defined in Section 467 of the Code.

(u) On February 28, 2020, an Application for a Voluntary Disclosure Agreement (a "VDA") was submitted to the California Franchise Tax Board on behalf of the Company. Section 4.12(u) of Disclosure Schedules contains a true and complete copy of the submitted Application for a VDA (the "VDA Application").

Section 4.13 Intellectual Property

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(a) Section 4.13(a)(i) of the Disclosure Schedules sets forth all of the Company Registered Intellectual Property. All Company Registered Intellectual Property is subsisting, in full force and effect and, to the Company's Knowledge, valid and enforceable. Except as disclosed in Section 4.13(a)(ii) of the Disclosure Schedules, the Company is the exclusive owner of all right, title and interest in and to the Company Registered Intellectual Property, free and clear of all Encumbrances, except for Permitted Encumbrances. The Company is the owner of, or has the valid right to use, all other Intellectual Property necessary for or used in the business of the Company as currently conducted (collectively with the Company Registered Intellectual Property, "Company Intellectual Property "), in each case free and clear of Encumbrances other than Permitted Encumbrances.

(b) The conduct of the Company's business as currently conducted, including the use of the Company Intellectual Property by the Company in connection therewith, and the products, processes and services of the Company do not infringe, misappropriate or violate any Intellectual Property rights of any other Person. There are no Actions that are currently pending, since the Look-Back Date that have been brought or, to the Knowledge of the Company, are threatened in writing against the Company challenging the ownership, use, validity or enforceability of any of the Company Intellectual Property or alleging any infringement, misappropriation or other violation by the Company of the Intellectual Property of any Person. To the Knowledge of the Company and since the Look-Back Date, no Person has infringed, misappropriated, or otherwise violated or is infringing, misappropriating, or otherwise violating any Company Intellectual Property, and no such claims have been made or are pending against any Person by the Company.

(c) Since the Look-Back Date, there has been no malfunction, failure, continued substandard performance, denial-of-service, or other cyber incident, including any cyberattack, or other impairment of the Company IT Systems that has resulted or is reasonably likely to result in substantial disruption or damage to the business of the Company and that has not been remedied. The Company has taken all commercially reasonable steps to safeguard the confidentiality, availability, security, and integrity of the Company IT Systems, including implementing and maintaining appropriate backup, disaster recovery, and software and hardware support arrangements.

(d) The Company has complied in all material respects with all applicable Laws and all of its publicly posted policies, notices, and statements concerning the collection, use, processing, storage, transfer and security of personal information in the conduct of the Company's business. Since the Look-Back Date, the Company has not (i) experienced any data breach or other security incident involving personal information in its possession or control or (ii) received any written notice of any audit, investigation, complaint or other Action by any Governmental Authority or other Person concerning the Company's collection, use, processing,

storage, transfer, or protection of personal information or actual, alleged, or suspected violation of any applicable Law concerning privacy, data security or data breach notification.

Section 4.14 Employee Benefit Plans

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(a) Section 4.14(a) of the Disclosure Schedules lists each "employee benefit plan" (as defined under Section 3(3) of ERISA), employment, severance, termination, retirement, profit sharing, cash or equity-based incentive, bonus, performance award, phantom equity, deferred compensation, retention, change in control, pension, vacation, paid time off (PTO), medical, vision, dental, disability, welfare, Code Section 125, cafeteria, fringe-benefit or other employee compensation or benefit plan, program, policy, arrangement, agreement, fund or commitment, sponsored, maintained or required to be contributed to by the Company or any ERISA Affiliate or with respect to which the Company has any liability (the "Company Plans"). The Company has made available to Parent accurate, current and complete copies of (i) each Company Plan and (ii) with respect to each Company Plan, the most recent summary plan description, the two most recently filed IRS Form 5500 annual reports, the IRS determination letter or opinion letter issued by the IRS, any trust agreement or other funding arrangement, custodial agreement, insurance policy and contract, administration agreement and similar agreement, and investment management or investment advisory agreement, now in effect, actuarial valuations and reports with respect to the two most recently completed plan years, the most recent nondiscrimination tests performed under the Code, and copies of material notices, letters or other correspondence from the IRS, Department of Labor, Department of Health and Human Services, Pension Benefit Guaranty Corporation or other Governmental Authority relating to the Company Plan.

(b) With respect to each Company Plan: (i) such Company Plan and any related trust has been established, operated and administered in material compliance with its terms and all applicable Laws (including ERISA and the Code); and (ii) all benefits, contributions, premiums and expenses to or in respect of such Company Plan have been timely paid in full or, to the extent not yet due, have been adequately accrued and reserved for on the Company's financial statements, in each case in accordance with the terms of such Company Plan, all applicable Laws and, as applicable, GAAP.

(c) Each Company Plan that is intended to be qualified within the meaning of Section 401(a) of the Code (a "Qualified Company Plan") is so qualified and received a favorable and current determination letter from the IRS with respect to the most recent five year filing cycle, or with respect to a prototype or volume submitter plan, can rely on an opinion letter from the IRS to the prototype plan or volume submitter plan sponsor, to the effect that such Qualified Company Plan is so qualified and that the plan and the trust related thereto are exempt from federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, and nothing has occurred that would reasonably be expected to adversely affect the qualified status of any Qualified Company Plan. Nothing has occurred with respect to any Company Plan that has subjected or would reasonably be expected to subject the Company or any of its ERISA Affiliates or, with respect to any period on or after the Closing Date, Parent or any of its Affiliates, to a penalty under Section 502 of ERISA or to tax or penalty under Sections 4975 or 4980H of the Code.

(d) No pension plan (other than a Multiemployer Plan) that is subject to minimum funding requirements, including any multiple employer plan, (each, a "Single Employer Plan") in which employees of the Company or any ERISA Affiliate participate or have participated has an "accumulated funding deficiency", whether or not waived, or is subject to a lien for unpaid contributions under Section 303(k) of ERISA or Section 430(k) of the Code. No Single Employer Plan covering employees of the Company that is a defined benefit plan has an "adjusted funding target attainment percentage," as defined in Section 436 of the Code, less than 80%.

(e) Neither the Company nor any of its ERISA Affiliates has (i) incurred or reasonably expects to incur, either directly or indirectly, any material liability or obligation under Title I or Title IV of ERISA or related provisions of the Code or applicable local Law relating to employee benefit plans; (ii) failed to timely pay premiums to the Pension Benefit Guaranty Corporation; (iii) withdrawn from any Multiemployer Plan; (iv) engaged in any transaction that would give rise to liability under Section 4069 or Section 4212(c) of ERISA; (v) incurred Taxes under Section 4971 of the Code with respect to any Single Employer Plan; or (vi) participated in a multiple employer welfare arrangements (MEWA).

(f) With respect to each Company Plan: (i) except as set forth in Section 4.14(f) of the Disclosure Schedules, no such plan is a "multiemployer plan" within the meaning of Section 3(37) of ERISA (a "Multiemployer Plan") and (A) all contributions required to be paid by the Company or its ERISA Affiliates have been timely paid to the applicable Multiemployer Plan, (B) neither the Company nor any ERISA Affiliate has incurred any withdrawal liability under Title IV of ERISA that remains unsatisfied, and (C) a complete withdrawal from all such Multiemployer Plans at the Effective Time would not result in any material liability to the Company and no Multiemployer Plan is in critical, endangered or seriously endangered status or has suffered a mass withdrawal; (ii) no such plan is a "multiple employer plan" within the meaning of Section 413(c) of the Code or a "multiple employer welfare arrangement" (as defined in Section 3(40) of ERISA); (iii) no Action has been initiated by the Pension Benefit Guaranty Corporation to terminate any such plan or to appoint a trustee for any such plan; (iv) no such plan or the plan of any ERISA Affiliate maintained or contributed to within the last six (6) years is a Single Employer Plan subject to Title IV of ERISA; and (v) no "reportable event," as defined in Section 4043 of ERISA, with respect to which the reporting requirement has not been waived, has occurred with respect to any such plan.

(g) Except as set forth in Section 4.14(g) of the Disclosure Schedules and other than as required under Sections 601 to 608 of ERISA or other applicable Law, no Company Plan provides post-termination or retiree health benefits to any individual for any reason, and neither the Company nor any of its ERISA Affiliates has any liability or obligation to provide post-termination or retiree health benefits to any individual.

(h) There is no pending or, to the Company's Knowledge, threatened Action relating to a Company Plan (other than routine claims for benefits), and except as set forth in Section 4.14(h) of the Disclosure Schedules, no Company Plan has within the three years prior to the date hereof been the subject of an examination or audit by a Governmental Authority or the subject of an application or filing under or is a participant in, an amnesty, voluntary compliance, self-correction or similar program sponsored by any Governmental Authority.

(i) There has been no amendment to, announcement by the Company or any of its Affiliates relating to, or change in employee participation or coverage under, any Company Plan or collective bargaining agreement that would increase the annual expense of maintaining such plan above the level of the expense incurred for the most recently completed fiscal year (other than on a de minimis basis) with respect to any director, officer, employee, independent contractor or consultant, as applicable. Neither the Company nor any of its Affiliates have any commitment or obligation to adopt, amend, modify or terminate any Company Plan or any collective bargaining agreement.

(j) Each Company Plan that is subject to Section 409A of the Code has been administered in compliance with its terms and the operational and documentary requirements of Section 409A of the Code and all applicable regulatory guidance (including notices, rulings and proposed and final regulations) thereunder. The Company does not have any obligation to gross up, indemnify or otherwise reimburse any individual for any excise taxes, interest or penalties incurred pursuant to Section 409A of the Code.

(k) Each individual who is classified by the Company as an independent contractor has been properly classified for purposes of participation and benefit accrual under each Company Plan.

(l) Except as set forth on Section 4.14(l) of the Disclosure Schedules, neither the execution and delivery of this Agreement or the Company Documents, nor the consummation of the transactions contemplated hereby or thereby, either alone or in combination with another event (whether contingent or otherwise), will (i) increase the amount of compensation or benefits due to any director, officer, employee, independent contractor or consultant of the Company; (ii) accelerate the vesting, funding or time of payment of any Equity Interest of the Company or any compensation or benefit due to any such individual; (iii) result in any "parachute payment" under Section 280G of the Code (whether or not such payment is considered to be reasonable compensation for services rendered); (iv) require a "gross-up" or other payment to any "disqualified individual" within the meaning of Section 280G(c) of the Code; or (v) entitle any current or former director, officer, employee, independent contractor or consultant of the Company to severance pay or any other payment.

Section 4.15 Environmental Compliance and Conditions

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(a) The Company is, and since the Look-Back Date has been, in compliance in all material respects with all applicable Environmental Laws (which compliance includes obtaining, maintaining and complying with all Environmental Permits that are necessary for the ownership, lease, operation or use of the business or assets of the Company). Such Environmental Permits are in full force and effect. Except as set forth on Section 4.15(a) of the Disclosure Schedules, the Company has not received from any Person any: (i) Environmental Notice or Environmental Claim or (ii) written request for information pursuant to Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements.

(b) No real property currently owned, operated or leased by the Company (nor, to the Company's Knowledge, any real property formerly owned, operated or leased by the

Company) is listed on, or, to the Company's Knowledge, has been proposed for listing on, the National Priorities List (or CERCLIS) under CERCLA, or any similar state list.

(c) To the Company's Knowledge, there has been no Release (i) by the Company for which the Company is obligated under Environmental Law or Environmental Permit to perform any investigation or remedial action or (ii) in contravention of Environmental Law with respect to the business or assets of the Company or any real property currently or formerly owned, operated or leased by the Company. Except as set forth on Section 4.15(c) of the Disclosure Schedules, the Company has not received an Environmental Notice that any real property currently or formerly owned, operated or leased in connection with the business of the Company has been contaminated with any Hazardous Material that would reasonably be expected to result in an Environmental Claim against, or a violation of Environmental Law or term of any Environmental Permit by, the Company.

(d) Section 4.15(d) of the Disclosure Schedules contains a complete and accurate list of all active or abandoned aboveground or underground storage tanks owned or operated by the Company. With respect to any storage tank required to be listed in Section 4.15(d) of the Disclosure Schedules, each such storage tank is or has been maintained, removed or closed, as applicable, in compliance in all material respects with all applicable Environmental Laws, and has not been the source of any Release.

(e) Section 4.15(e) of the Disclosure Schedules contains a list, based on a good faith review of the Company's available records, of off-site Hazardous Materials treatment, storage or disposal facilities or locations used by the Company and any predecessors as to which the Company may retain liability, and, to the Company's Knowledge, none of these facilities or locations has been placed or proposed for placement on the National Priorities List (or CERCLIS) under CERCLA, or any similar state list.

(f) Except as set forth on Section 4.15(f) of the Disclosure Schedules, the Company has not retained or assumed, by Contract or operation of Law, any material liabilities or obligations of third parties under Environmental Law.

(g) The Company has provided or otherwise made available to Parent any environmental reports, studies, audits, records, sampling data, site assessments, risk assessments, economic models and other similar documents with respect to the business or assets of the Company or any currently or formerly owned, operated or leased real property that are in the possession or control of the Company related to compliance with Environmental Laws, Environmental Claims or an Environmental Notice or any Release. There are no planned or anticipated capital expenditures by the Company required to reduce, offset, limit or otherwise control pollution and/or emissions, manage waste or otherwise ensure compliance with current or future Environmental Laws (including costs of remediation, pollution control equipment and operational changes).

(h) The representations and warranties set forth in this Section 4.15 are the sole and exclusive representations and warranties of the Company relating to environmental matters including matters arising under or relating to Environmental Laws.

Section 4.16 Insurance Policies

. All of the insurance policies maintained as of the date hereof by the Company for the benefit of the Company or any of its assets, businesses, operations, employees, officers or directors (collectively, the "Insurance Policies") are listed in Section 4.16 of the Disclosure Schedules. The Insurance Policies are in full force and effect and are valid, binding and enforceable. True and complete copies of the Insurance Policies have been made available to Parent. The Company is not in breach or default in any material respect of its obligations under any of such Insurance Policies and all premiums due thereon have been timely paid. Since the Look-Back Date, except as set forth on Section 4.16 of the Disclosure Schedules, the Company has not with respect to any of the Insurance Policies (a) had a claim disputed or rejected or a payment denied by any insurance provider, (b) had a claim in which there is an outstanding reservation of rights, (c) had the policy limit under any Insurance Policy exhausted or materially reduced or (d) received any notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of the Insurance Policies.

Section 4.17 Labor and Employment Matters

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(a) Except as set forth on Section 4.17(a) of the Disclosure Schedules, there are no Actions against the Company pending, or to the Knowledge of the Company, threatened in writing, relating to the employment, termination of employment of or failure to employ any individual.

(b) Except as set forth in Section 4.17(b) of the Disclosure Schedules, the Company is not a party to, bound by, or negotiating any collective bargaining agreement or other Contract with a union, works council or labor organization (collectively, "Union"), and there is not any Union representing or purporting to represent any employee of the Company, and, to the Company's Knowledge, no Union or group of employees is seeking or has sought to organize employees for the purpose of collective bargaining. Since the Look-Back Date, there has not been, nor, to the Company's Knowledge, has there been any threat of, any strike, slowdown, work stoppage, lockout, concerted refusal to work overtime or other similar labor disruption or dispute affecting the Company or any of its employees. Since the Look-Back Date, the Company has been in compliance in all material respects with the terms of the collective bargaining agreements and other Contracts required to be listed on Section 4.17(b) of the Disclosure Schedules.

(c) Since the Look-Back Date, the Company has complied in all material respects with all applicable labor and employment Laws, including the National Labor Relations Act and other applicable Laws relating to wages, hours, benefits, classification, collective bargaining, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, hiring, promotion and termination of employees, working conditions, meal and break periods, privacy, health and safety, workers' compensation, leaves of absence, paid sick leave, unemployment insurance and all other applicable occupational safety and health acts and Laws.

(d) Section 4.17(d) of the Disclosure Schedules contains a list of all persons who are employees, independent contractors or consultants of the Company as of the date hereof, including any employee who is on a leave of absence of any nature, paid or unpaid, authorized or

unauthorized, and sets forth for each such individual the following: (i) name; (ii) title or position (including whether full-time or part-time); (iii) hire or retention date; (iv) current annual base compensation rate or contract fee; (v) commission, bonus or other incentive-based compensation; (v) work location; (vi) employment status (i.e., active, disabled or on authorized leave and the reason therefor); and (vii) whether covered by a collective bargaining agreement. All compensation, including wages, commissions, bonuses, fees and other compensation, payable to all employees, independent contractors or consultants of the Company for services performed prior to the date hereof have been paid in full (or accrued in full on the audited balance sheet contained in the Closing Working Capital Statement) and there are no outstanding agreements, understandings or commitments of the Company with respect to any compensation, commissions, bonuses or fees.

Section 4.18 Brokers

. Except for Stout Risius Ross Advisors, LLC ("Stout "), no broker, finder or investment banker is entitled to any brokerage commissions, finders' fees or other fee or commission in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Company.

Section 4.19 Affiliate Transactions

. Except for employment agreements entered into in the Ordinary Course of Business, no executive officer or director of the Company, any member of such executive officer's or director's immediate family, any 5% or greater holder of Shares or any Affiliate of any of the foregoing (collectively, "Related Persons") (a) is indebted to the Company, nor does the Company owe any amount to, or has committed to make any loan or extend or guarantee credit to or for the benefit of, any Related Person, (b) is involved in any material business arrangement or other relationship with the Company or otherwise is a party to any Contract with or binding upon the Company or (c) has any interest in any property owned by the Company.

Section 4.20 Books and Records

. The minute books and stock record books of the Company have been made available to Parent, are complete and correct in all material respects and have been maintained in accordance with applicable Laws. At the Closing, all of those books and records will be in the possession of the Company.

Section 4.21 Customers and Suppliers

. Section 4.21(a) of the Disclosure Schedules sets forth a list of the 25 largest customers and the 25 largest suppliers of the Company, as measured by the dollar amount of purchases therefrom or thereby, during and for each of (a) the fiscal year ended December 31, 2018 and (b) the fiscal year ended December 31, 2019, and, in each case, the amount of consideration paid by or to each such customer or supplier during such period. Except as set forth in Section 4.21(b) of the Disclosure Schedules, since the Look-Back Date, no such customer or supplier has (i) terminated its relationship with the Company or materially reduced or changed in any materially adverse manner the terms on which such customer or supplier conducts business with the Company or (ii) notified the Company in writing that it intends to terminate or materially reduce its business with the Company.

Section 4.22 No Other Representations or Warranties

. Except for the representations and warranties contained in this Article 4 (including the related portions of the Disclosure Schedules), none of the Company, Shareholders or any of its or their Representatives has made or makes any other express or implied representation or warranty, whether written or oral, on

behalf of the Company or any of its Affiliates, Shareholders or Representatives, including with respect to (a) any estimates, projections, forecasts, plans, budget or prospect information relating to the business of the Company (including the reasonableness of the assumptions underlying such estimates, projections, forecasts, plans, budgets or prospect information) or (b) except for the representations and warranties contained in this Article 4 (including the related portions of the Disclosure Schedules), any oral or written information presented to Parent or any of its Affiliates or Representatives in the course of their due diligence of the Company, the business of the Company, the negotiation of this Agreement, the Transaction Documents, or in the course of the transactions contemplated hereby and thereby.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Parent and Merger Sub represent and warrant to the Company, as of the date hereof and as of the Closing Date, as follows:

Section 5.1 Organization

. Parent is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Nevada. Merger Sub is a corporation duly incorporated, validly existing and in good standing under the Laws of Commonwealth of Pennsylvania.

Section 5.2 Authority; Binding Obligation

. Each of Parent and Merger Sub has all requisite power and authority to execute and deliver this Agreement, the Parent Documents and the other agreements contemplated hereby and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby and no corporate proceedings on its part, other than as expressly contemplated by this Agreement, are necessary to authorize the execution, delivery or performance of this Agreement and the Parent Documents and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by Parent and Merger Sub and (assuming due authorization, execution and delivery by each other party hereto) this Agreement constitutes a valid and binding obligation of Parent and Merger Sub enforceable against Parent and Merger Sub in accordance with its terms, except as such enforceability may be limited by the Equitable Exceptions. When each Parent Document has been duly executed and delivered by Parent or Merger Sub (assuming due authorization, execution and delivery by each other party thereto), such Parent Document will constitute a legal and binding obligation of Parent or Merger Sub enforceable against it in accordance with its terms, except as such enforceability may be limited by the Equitable Exceptions.

Section 5.3 No Defaults or Conflicts

. The execution and delivery of this Agreement and the Parent Documents and the consummation of the transactions contemplated hereby and thereby by Parent and Merger Sub, and performance by Parent and Merger Sub of their obligations hereunder or under the Parent Documents do not and will not (a) violate the organizational documents of Parent or Merger Sub, (b) materially contravene or conflict with, or result in any material violation or breach of, any of the terms or provisions of, or constitute a material default (with or without notice or lapse of time or both) under, any indenture, mortgage or loan or any other material agreement or instrument to which Parent or Merger Sub is a party

or by which Parent or Merger Sub is bound or to which the properties of Parent or Merger Sub may be subject, or (c) assuming that all Governmental Authorizations in Section 5.4 have been obtained or made, result in any violation of any existing applicable Law or Order of any Governmental Authority having jurisdiction over Parent or Merger Sub or any of its properties.

Section 5.4 No Authorization or Consents Required

. Except for the filing of the Statement of Merger and such filings by Parent with the Securities and Exchange Commission under the Exchange Act or otherwise as Parent reasonably determines to be necessary, appropriate or desirable, no Governmental Authorizations will be required to be obtained or made by Parent or Merger Sub in connection with the execution, delivery and performance by Parent and Merger Sub of this Agreement and the Parent Documents and the consummation by Parent and Merger Sub of the transactions contemplated hereby or thereby.

Section 5.5 Sufficient Funds

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(a) The obligations of Parent and Merger Sub hereunder are not subject to any conditions regarding Parent's or any other Person's ability to obtain financing for the consummation of the transactions contemplated by this Agreement or the Parent Documents.

(b) Parent will have as of the Closing sufficient cash, available lines of credit or other sources of immediately available funds to pay all amounts required to be paid by Parent in connection with this Agreement and the transactions contemplated by this Agreement, including the payment by Parent of all obligations pursuant to Section 3.3 and the costs and expenses of Parent and Merger Sub on the terms and conditions contained in this Agreement, and there will not be any restriction on the use of such cash, lines of credit or other sources of funds for such purpose.

Section 5.6 No Prior Merger Sub Operations

. Merger Sub was formed solely for the purpose of effecting the Merger and has not engaged in any business activities or conducted any operations other than in connection with the transactions contemplated hereby.

Section 5.7 Brokers

. No broker, finder or similar intermediary is entitled to any broker's, finder's or similar fee or other commission in connection with this Agreement or the transactions contemplated hereby based on any agreement or arrangement made by or on behalf Parent or Merger Sub.

Section 5.8 Financial Statements

. The financial statements of Parent and its consolidated subsidiaries for the fiscal years ended September 30, 2018 and September 30, 2019 are included in the reports filed by Parent with the Securities and Exchange Commission pursuant to the Exchange Act since the Look-Back Date and prior to the date of this Agreement, and were true and correct in all material respects when filed.

Section 5.9 Litigation

. As of the date hereof, there is no Action pending or, to the actual knowledge of Parent, threatened against Parent, Merger Sub, or any of their respective Affiliates, or any material portion of its properties or assets that would reasonably be expected, individually or in the aggregate, to materially impair the ability of Parent or Merger Sub to effect the transactions contemplated hereby. As of the date hereof, neither Parent nor Merger Sub is subject to any unsatisfied Order that, individually or in the aggregate, would reasonably be

expected to materially impair the ability of Parent or Merger Sub to effect the transactions contemplated hereby.

Section 5.10 Reliance

. Each of Parent and Merger Sub acknowledges that it and its Representatives have been permitted full and complete access to the books and records, facilities, equipment, Tax Returns, contracts, insurance policies (or summaries thereof) and other properties and assets of the Company that they and their respective Representatives have desired or requested to see or review, and that they and their respective Representatives have had a full opportunity to meet with the officers and employees of the Company to discuss the business of the Company. Each of Parent and Merger Sub acknowledges that neither the Company nor any other Person has made any representation or warranty, express or implied, as to the accuracy or completeness of any information that the Company furnished or made available to Parent or Merger Sub and their respective Representatives, except for representations and warranties by the Company expressly set forth in Article 4 (including the related portions of the Disclosure Schedules) . Neither the Company nor any other Person (including any Affiliate of the Company or their respective Representatives) shall have or be subject to any liability to Parent, Merger Sub or any other Person, (including in contract or tort, at law or in equity, under federal or state securities Laws or otherwise) resulting from the use of any information, documents or material made available to Parent or Merger Sub (or any omissions therefrom) in any "data rooms," management presentations, due diligence or in any other form in expectation of the transactions contemplated hereby, except that the foregoing shall not apply to any claim arising from actual fraud on the part of the Company or limit any of the express representations and warranties of the Company set forth in this Agreement or any Transaction Document (or any liability of the Shareholders for any breach thereof pursuant to Article 9). Each of Parent and Merger Sub acknowledges that, should the Closing occur, Parent shall acquire the Company without any representation or warranty as to merchantability or fitness for any particular purpose of the Company's assets, in an "as is" condition and on a "where is" basis, except that the foregoing shall not apply to any claim arising from actual fraud on the part of the Company or limit any of the express representations and warranties of the Company set forth in this Agreement or any Transaction Document. Each of Parent and Merger Sub acknowledges that, except for the representations and warranties of the Company contained in Article 4 (including the related portions of the Disclosure Schedules), neither the Company nor any other Person has made, and neither Parent nor Merger Sub has relied on, any other express or implied representation or warranty by or on behalf of, or with respect to, the Company. Each of Parent and Merger Sub acknowledges that neither the Company nor any other Person, directly or indirectly, has made, and neither Parent nor Merger Sub has relied on, any representation or warranty regarding the pro-forma financial information, financial projections or other forward-looking statements of the Company (except as expressly set forth herein), and neither Parent nor Merger Sub will make any claim with respect thereto.

ARTICLE 6

COVENANTS

Section 6.1 Conduct of Business of the Company

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(a) During the period from the date of this Agreement to the earlier of the Closing and the termination of this Agreement in accordance with Article 10 , except (i) as set forth on Section 6.1(a) of the Disclosure Schedules, (ii) as required by applicable Law, (iii) as otherwise contemplated by this Agreement or any Company Documents, or (iv) with the prior written consent of Parent (such consent not to be unreasonably withheld, conditioned, delayed or denied), the Company shall (A) conduct the business of the Company in the Ordinary Course of Business and (B) use commercially reasonable efforts to (i) maintain and preserve intact the current organization, business and franchise of the Company and (ii) preserve the rights, franchises, goodwill and relationships of its employees, customers, lenders, suppliers, regulators and others having business relationships with the Company.

(b) During the period from the date of this Agreement to the earlier of the Closing and the termination of this Agreement in accordance with Article 10 and without limiting the generality of Section 6.1(a) , except (i) as set forth on Section 6.1(b) of the Disclosure Schedules, (ii) as required by applicable Law, (iii) as otherwise contemplated by this Agreement or any of the Transaction Documents, or (iv) with the prior written consent of Parent (such consent not to be unreasonably withheld, conditioned, delayed or denied), the Company shall not:

(i) transfer, issue, sell, purchase, redeem, retire or grant any Equity Interests of the Company or grant any options, warrants, calls or other rights to purchase or otherwise acquire Equity Interests of the Company;

(ii) reclassify, combine, split, subdivide or amend the terms of any of its capital stock or issue or authorize the issuance of other securities in respect of, in lieu of, or in substitution for, shares of its capital stock;

(iii) amend the Company Organizational Documents;

(iv) except as required by the terms of any existing Company Plan as of the date hereof, grant any bonuses or materially increase the amount of any salary, wages or cash incentive compensation to any employee, or enter into any employment or severance agreement with any employee, except (A) in the case of any bonus, any bonus granted in the Ordinary Course of Business that is not, individually or in the aggregate, material in amount and (B) in the case of any increase in compensation, increases made in the Ordinary Course of Business that do not exceed more than 2% per annum;

(v) increase or accelerate the payments to or benefits under any employment Contract or Company Plan except as required by the terms of any such employment Contract or Company Plan as of the date hereof, or as required by applicable Law, or adopt, modify in any material respect, or terminate any Company Plan, except as required by applicable Law;

(vi) not voluntarily recognize, or collectively bargain without the participation by and approval of Parent with, any Unions as the collective bargaining representative of any employee of the Company;

(vii) make, or enter into any commitment for, any capital expenditures of the Company except for those contemplated in the budget of the Company made available to Parent prior to the date hereof and in any event not in excess of the aggregate amount set forth in the budget of the Company for such portion of the applicable fiscal year attributable to the pre-Closing period;

(viii) (A) without duplication of subsection (vii), acquire or lease any material properties or assets or (B) sell, assign, license (or sublicense), transfer, convey, or otherwise dispose of any of the rights, properties or assets of the Company other than dispositions of inventory made in the Ordinary Course of Business;

(ix) make any capital investment in, or any loan to, any other Person;

(x) change its present accounting methods or principles in any material respect, except as required by GAAP or by the Company's auditors;

(xi) make, change or rescind any material Tax election, amend any Tax Return, settle any material Tax claim relating to the Company or take any position on any Tax Return, take any action, omit to take any action or enter into any other transaction other than in the Ordinary Course of Business that would have the effect of increasing the Tax liability or reducing any Tax asset of Parent in respect of any Post-Closing Tax Period;

(xii) other than in the Ordinary Course of Business, incur any Indebtedness other than unsecured current liabilities and obligations incurred in the Ordinary Course of Business, permit the imposition of any Encumbrance upon any of the Company's properties or assets, or cancel any indebtedness owed to the Company;

(xiii) enter into or agree to enter into any merger or consolidation with any corporation or other entity, acquire the securities of any other Person, or adopt any plan of merger, consolidation, reorganization, liquidation or dissolution;

(xiv) (A) enter into any Contract that would constitute a Material Contract unless such Contract (1) is entered into in the Ordinary Course of Business, (2) does not involve payments by the Company of greater than $25,000 over the term of such Contract and (3) is not of a type described in clauses (ii), (vii), (viii), (ix), (xii), or (xiii) of Section 4.8(a); (B) accelerate any Material Contract; (C) terminate any Material Contract (excluding the expiration of any Material Contract in accordance with its terms); or (D) knowingly make any material modification to any Material Contract that is adverse to the Company;

(xv) enter into any Contract or transaction with a Related Person; or

(xvi) agree to take any of the foregoing actions.

(c) Nothing contained in this Agreement shall give Parent, directly or indirectly, rights to control or direct the operations of the Company before the Closing Date. Before the Closing Date, the Company shall, consistent with the terms and conditions of this Agreement and subject to the rights and obligations of the parties under this Agreement, exercise complete control and supervision over the operations of the Company.

Section 6.2 Remittance of Life Insurance Proceeds

. Following the Effective Time, Parent shall cause the Company to promptly endorse and remit to the Shareholders' Representative, for the benefit of the Shareholders, any check received by the Company in connection with the Company's termination of the life insurance policy on the life of David Jackson Milhollan.

Section 6.3 Access to Information; Confidentiality; Public Announcements

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(a) During the period from the date of this Agreement to the earlier of the Closing Date and the termination of this Agreement in accordance with Article 10, the Company shall (i) give Parent and its Representatives reasonable access during normal business hours to (and the right to inspect) all books, records, Contracts, offices and other facilities, properties and data of the Company as Parent or its Representatives may from time to time reasonably request; provided, however, that any such access and inspection shall be conducted in a manner not to unreasonably interfere with the business or operations of the Company; and (ii) furnish Parent and its Representatives with such financial, operating and other data and information relating to the Company that Parent may reasonably request (including monthly and quarterly financial statements for periods following the date of the Unaudited Balance Sheet). Parent shall have the right, but not the obligation, to perform non-intrusive Phase I environmental investigations and compliance audits of any Real Property from the date hereof through Closing. If, after the completion of this initial investigation and audit, Parent wishes to perform sampling, testing or assessment activities of any Real Property that are intrusive in nature, Parent shall first obtain the Company's prior consent (which consent shall not be unreasonably withheld, conditioned, delayed, or denied). Notwithstanding anything to the contrary in this Agreement, the Company shall not be required to provide such access or disclose any information to Parent or its Representatives, if doing so would, based on the advice of the Company's outside counsel, (A) result in a waiver of attorney-client privilege, work product doctrine or similar privilege or (B) violate any agreement or Law to which the Company is a party or to which the Company is subject (provided that, in either such case, the Company and Parent shall cooperate in seeking alternative means whereby such information may be disclosed to Parent without jeopardizing any such privilege or violating any such agreement or Law).

(b) Any information provided to or obtained by Parent or its Representatives pursuant to Section 6.3(a) shall constitute "Evaluation Material" (herein referred to as "Confidential Information") as defined in the Confidentiality Agreement, dated as of May 6, 2019, executed by an Affiliate of Parent and delivered to Stout (the "Confidentiality Agreement"), and shall be held by Parent in accordance with and be subject to the terms of the Confidentiality Agreement, provided, however, that no such information shall constitute Confidential Information to the extent it is excluded from the definition of "Evaluation Material" in the Confidentiality Agreement (including under Section 2(b) of the Confidentiality Agreement). Notwithstanding anything to the contrary herein, the terms and provisions of the

Confidentiality Agreement shall survive the termination of this Agreement in accordance with the terms therein. In the event of the termination of this Agreement for any reason, Parent shall comply with the terms and provisions of the Confidentiality Agreement, including returning or destroying all Confidential Information and the non-soliciting and non-hiring of employees of the Company.

(c) No party will issue or cause the publication of any press release or other public announcement with respect to this Agreement or the transactions contemplated hereby without the prior written consent of the other parties hereto (which consent shall not be unreasonably withheld, conditioned, delayed, or denied); provided, however, that nothing herein will prohibit any party from issuing or causing publication of any such press release or public announcement to the extent that such disclosure is upon advice of counsel (including in-house counsel) required by Law or stock exchange requirements, in which case the party making such determination will, if practicable in the circumstances, use reasonable commercial efforts to allow the other party reasonable time to comment on such release or announcement in advance of its issuance.

(d) For a period of three (3) years following the Closing, to the extent permitted by applicable Law, Parent agrees to provide (or cause its Affiliates to provide) the Shareholders' Representative with reasonable access, at reasonable times during normal business hours and upon reasonable advance notice, and in a manner so as not to interfere unreasonably with the business operations of Parent or the Surviving Corporation, to such books and records and other documents in the possession of Parent or the Surviving Corporation that relate to periods prior to the Closing or a Straddle Period to the extent that such access is reasonably required by the Shareholders' Representative, on behalf of itself or any Shareholder or any of their respective Affiliates to (i) defend, prosecute, appeal or cooperate with any judicial, arbitral or regulatory proceeding, audit or investigation to which the Shareholders' Representative, any Shareholder, or any of their respective Affiliates is a party and which relates to the Company or its Affiliates or otherwise to the business and affairs of the Company or its Affiliates prior to the Closing, (ii) to prepare financial statements or regulatory filings of the Shareholders' Representative, any Shareholder, or any of their respective Affiliates in respect of periods ending on or prior to the Closing Date, (iii) to comply with the terms of this Agreement, any Transaction Document, any applicable Law or request of any Governmental Authority, (iv) in connection with the determinations in accordance with Section 3.3, or (v) relating the preparation or amendment of any Tax Returns or claims for refund. Parent agrees to (or cause its Affiliates to) retain and preserve all books and records and all other documents that it or they acquire pursuant to this Agreement, in compliance with all applicable Law, for at least six (6) years following the Closing Date.

Section 6.4 Filings, Authorizations and Consents

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(a) Subject to the terms and conditions herein, each party hereto agrees to use commercially reasonable efforts to take, or cause to be taken, all action, and to do, or cause to be done as promptly as practicable, all things necessary, proper and advisable under applicable Law to consummate and make effective as promptly as practicable the transactions contemplated under this Agreement, including the Merger, and the Transaction Documents. Subject to appropriate confidentiality protections, each party hereto shall furnish to the other parties such

necessary information and reasonable assistance as such other party may reasonably request in connection with the foregoing.

(b) Each of the parties shall cooperate with one another in good faith to prepare all necessary documentation to effect promptly all necessary filings, to give all notices and to obtain all consents, waivers and approvals necessary to consummate the transactions contemplated by this Agreement. Each such party shall promptly inform the other parties hereto of any oral communication with, and provide copies of written communications with any Governmental Authority regarding any such filings or any such transaction.

(c) Notwithstanding the foregoing, nothing in this Section 6.4 or in Section 6.6 shall require, or be construed to require, Parent or any of its Affiliates agree to (i) sell, hold, divest, discontinue or limit, before or after the Closing Date, any assets, businesses or interests of Parent, the Company or any of their respective Affiliates; (ii) any conditions relating to, or changes or restrictions in, the operations of any such assets, businesses or interests which, in either case, could reasonably be expected to result in a Material Adverse Effect or materially and adversely impact the economic or business benefits to Parent of the transactions contemplated by this Agreement; (iii) any material modification or waiver of the terms and conditions of this Agreement; (iv) expend any money to obtain any consent of any counterparty to any Contract of the Company, (v) commence or defend any Action or (vi) offer or grant any accommodation (financial or otherwise) to any third party other than in connection with the Financing. Notwithstanding the foregoing, nothing in this Section 6.4 or in Section 6.6 shall require, or be construed to require, the Company, the Shareholders or any of its or their Affiliates to agree to (i) any conditions relating to, or changes or restrictions in, the operations of any of the Company's assets, businesses or interests which, in either case, could reasonably be expected to result in a Material Adverse Effect or materially and adversely impact the economic or business benefits to Parent of the transactions contemplated by this Agreement; (ii) any material modification or waiver of the terms and conditions of this Agreement; (iii) expend any money to obtain any consent of any counterparty to any Contract of the Company, (iv) commence or defend any Action or (v) offer or grant any accommodation (financial or otherwise) to any third party.

Section 6.5 Shareholder Vote

. The Company shall, as promptly as practicable following the execution and delivery of this Agreement, by written notice call a special meeting by of its Shareholders to vote on the transactions contemplated hereby ten days following the date of such notice (the "Shareholder Notice"). The materials submitted to such Shareholders shall include the Company Board Recommendation and all such other information as may be required by the PAC and the Company Organizational Documents. Specifically, the Shareholder Notice shall (i) be a statement to the effect that the Company Board unanimously determined that the Merger is advisable in accordance with Section 1727 of the PAC and in the best interests of the Shareholders and unanimously approved and adopted this Agreement, the Merger and the other transactions contemplated hereby, and (ii) notify such Shareholders of their dissent and appraisal rights pursuant to Section 1575 of the PAC. The Shareholder Notice shall include therewith a copy of Subchapter D of Chapter 15 of the PAC and all such other information as is required by the PAC and the Company Organizational Documents Parent and as Parent may reasonably request, and shall be sufficient in form and substance to start the ten day period during which a Shareholder must file a written notice of intention to demand that such Shareholder be paid fair value for such Shareholder's shares as contemplated by Section 1574 of

the PAC. All materials submitted to the Shareholders in accordance with this Section 6.5 shall be subject to Parent's advance review and reasonable approval.

Section 6.6 Further Assurances

. From the date hereof until the earlier of the Closing Date and the termination of this Agreement in accordance with Article 10, each of the parties hereto shall execute such documents and perform such further acts as may be reasonably required to carry out the provisions hereof and the actions contemplated hereby. Each party shall, on or prior to the Closing Date, use its reasonable best efforts to fulfill or obtain the fulfillment of the conditions precedent to the consummation of the transactions contemplated hereby, including the execution and delivery of any documents, certificates, instruments or other papers that are reasonably required for the consummation of the transactions contemplated by this Agreement and the Transaction Documents. At and after the Effective Time, the officers and directors of the Surviving Corporation shall be authorized to execute and deliver, in the name and behalf of the Company or Merger Sub, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of the Company or Merger Sub, any other actions and things to vest, perfect or confirm of record or otherwise in the Surviving Corporation any and all right, title and interest in, to and under any of the rights, properties or assets of the Company acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger.

Section 6.7 Officer and Director Indemnification and Insurance

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(a) Parent and Merger Sub agree that all rights to indemnification, advancement of expenses and exculpation from liability for acts or omissions occurring on or prior to the Closing Date now existing in favor of the current or former directors, officers or employees of the Company and the fiduciaries of any Company Plans (the "D&O Indemnified Parties"), as provided in the Company Organizational Documents or indemnification agreements in effect on the date hereof that are disclosed in Section 6.7(a) of the Disclosure Schedules and true and complete copies of which have been made available to Parent, shall be assumed by the Surviving Corporation in the Merger, without further action, at the Effective Time and shall survive the Merger and shall remain in full force and effect in accordance with their terms.

(b) For six years after the Effective Time, Parent and the Surviving Corporation shall, jointly and severally, indemnify all D&O Indemnified Parties to the fullest extent permitted by applicable Law with respect to all acts and omissions occurring at or prior to the Effective Time arising out of or relating to their services as directors, officers or employees of the Company or another Person, if such D&O Indemnified Party is or was serving as a director, officer or employee of such other Person at the request of the Company, or fiduciaries of the Company Plans, whether asserted or claimed at, after, or before the Closing (including in connection with the negotiation and execution of this Agreement and the consummation of the transactions contemplated by this Agreement or otherwise).

(c) Prior to the Closing Date, the Company shall obtain, at Parent's expense, a non-cancelable run-off insurance policy ("D&O Tail Policy"), with a claims period of six (6) years after the Closing Date to provide insurance coverage for events, acts or omissions occurring at or prior to the Effective Time for all persons who were directors or officers of the Company at or prior to the Effective Time, which D&O Tail Policy may contain terms and

conditions no less favorable to the insured persons than any directors' and officers' liability insurance coverage presently maintained by the Company. During the term of any such D&O Tail Policy, Parent shall not (and shall cause the Surviving Corporation not to) take any action following the Closing to cause such D&O Tail Policy to be cancelled or any provision therein to be amended or waived in a manner that would have an adverse effect on the D&O Parties covered thereunder.

(d) Parent hereby acknowledges that the D&O Indemnified Parties may have certain rights to indemnification, advancement of expenses and/or insurance provided by other Persons, excluding the D&O Tail Policy. Parent hereby agrees that, excluding in each case the D&O Tail Policy and the insurer thereunder, (i) Parent and the Surviving Corporation are the indemnitor of first resort (i.e., their obligations under this Section 6.7 to the D&O Indemnified Parties are primary and any obligation of such other Persons to advance expenses or to provide indemnification for the same expenses or liabilities incurred by any such D&O Indemnified Party are secondary), and (ii) Parent and the Surviving Corporation irrevocably waive, relinquish and release such other Persons from any and all claims against any such other Persons for contribution, subrogation or any other recovery of any kind in respect thereof. Each of Parent and the Surviving Corporation further agrees that, excluding any such advancement or payment made under the D&O Tail Policy, no advancement or payment by any of such other Persons on behalf of any such D&O Indemnified Party with respect to any claim for which such D&O Indemnified Party has sought indemnification from the Surviving Corporation shall affect the foregoing and such other Persons (excluding the insurer under the D&O Tail Policy) shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such D&O Indemnified Party against the Surviving Corporation.

(e) The covenants contained in this Section 6.7 are intended to be for the benefit of, and shall be enforceable by, each of the D&O Indemnified Parties and their respective heirs and legal representatives and shall not be deemed exclusive of any other rights to which a D&O Indemnified Party is entitled, whether pursuant to Law, contract or otherwise.

(f) In the event that Parent or the Surviving Corporation or any of its successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any Person, then, and in each such case, Parent and the Surviving Corporation shall take all necessary action so that the successors or assigns of Parent or the Surviving Corporation, as the case may be, shall succeed to the obligations set forth in this Section 6.7.

(g) Parent agrees that the indemnification and exculpation of liability provisions contained in the forms of the SC Articles and/or the SC Bylaws attached as Exhibits C and D, respectively, as applicable, shall not be amended, repealed or otherwise modified in any manner that would adversely affect the rights thereunder in any material respect relating to the indemnification of the D&O Indemnified Parties, unless such modification is required by applicable Law.

Section 6.8 Waiver of Conflicts; Attorney-Client Privilege

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(a) Notwithstanding anything to the contrary in any other agreement, recognizing that Clark Hill PLC has acted as legal counsel to the Company and the Shareholders' Representative and their respective Affiliates in connection with this Agreement, the Merger and the other transactions contemplated hereby, and that Clark Hill PLC intends to continue to act as legal counsel to the Company and the Shareholders' Representative and their respective Affiliates prior to Closing and as legal counsel to the Shareholders' Representative and its Affiliates after the Closing, the Company hereby waives, on its own behalf and on behalf of its Affiliates, any conflicts that have arisen or may arise in connection with Clark Hill PLC representing the Company and the Shareholders' Representative and their respective Affiliates, prior to, at or after the Closing or the Shareholders' Representative in contesting and settling any claims arising out of this Agreement or resolving any other disputes hereunder, including representing the Shareholders' Representative or its Affiliates against the Company and/or its Affiliates in litigation, arbitration or mediation in connection therewith. Parent and the Company each consents, on its own behalf and on behalf of its Affiliates, to the continued representation of the Shareholders' Representative and its Affiliates by Clark Hill PLC in connection with this Agreement, the Merger and the other transactions contemplated hereby notwithstanding the fact that Clark Hill PLC may have represented, and may currently or in the future represent, the Company, Parent and/or any of their respective Affiliates with respect to unrelated matters and notwithstanding anything to the contrary in any other agreement. In addition, Parent and the Company each hereby acknowledges that its consent and waiver under this Section 6.8 is voluntary and informed, and that Parent and the Company have each obtained independent legal advice with respect to this consent and waiver. Parent and the Company each agree that Clark Hill PLC is an express third party beneficiary of this Section 6.8.

(b) All communications involving attorney-client confidences between the Shareholders' Representative, the Company or their respective Affiliates, on the one hand, and Clark Hill PLC, on the other hand, to the extent related to the negotiation and documentation of this Agreement, the Transaction Documents and consummation of the transactions contemplated hereby and thereby and prior to Closing shall be deemed to be attorney-client confidences that belong solely to the Shareholders' Representative (and not Parent or the Company) (the "Privileged Materials"). Accordingly, after the Closing, Parent and the Company shall not have access to the Privileged Materials. Without limiting the generality of the foregoing, upon and after the Closing, (a) the Shareholders' Representative and its Affiliates (and not Parent or the Company) shall be the sole holders of the attorney-client privilege with respect to the Privileged Materials, and neither Parent nor the Company shall be a holder thereof, (b) to the extent that files of Clark Hill PLC that constitute Privileged Materials constitute property of the client, only the Shareholders' Representative and its Affiliates (and not Parent or the Company) shall hold such property rights, and (c) Clark Hill PLC shall have no duty whatsoever to reveal or disclose any such Privileged Materials to Parent or the Company or any of their respective Affiliates by reason of any attorney-client relationship between Clark Hill PLC and the Company or any of its Affiliates or otherwise.

Section 6.9 Tax Matters

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(a) Filing of Tax Returns by the Company . The Company shall timely prepare and file (or cause to be timely prepared and filed) all Tax Returns that are required to be filed by or with respect to the Company that are due on or before the Closing Date (taking into

account any extensions), and shall timely pay all Taxes that are due and payable on or before the Closing Date (taking into account any extensions), subject to prompt reimbursement by Parent for any such Taxes that are not Indemnified Taxes. Any such Tax Return shall be prepared in a manner consistent with past practice (unless otherwise required by Law).

(b) Filing of Certain Tax Returns by Parent After Closing Date. Parent shall prepare and timely file, or cause to be prepared and timely filed, all Tax Returns required to be filed by the Company after the Closing Date with respect to any Pre-Closing Tax Period or any Straddle Period. Any such Tax Return shall be prepared in a manner consistent with past practice (unless otherwise required by Law or change in fact). Parent shall provide a draft of any such material Tax Return to the Shareholders' Representative for its review and comment at least thirty (30) days prior to the due date for the filing thereof; provided, that, if any such material Tax Return is required to be filed within sixty (60) days of the ending date of the applicable Tax period, Parent shall provide a draft of any such material Tax Return to the Shareholder's Representative for review and comment within such period of time prior to the due date for filing such material Tax Return as is reasonable under the circumstances to provide Shareholder's Representative an adequate opportunity to review and comment. Not later than ten (10) days (for material Tax Returns provided to Shareholder's Representative at least thirty (30) days prior to the due date for the filing thereof) or, within such reasonable time as may be applicable under the circumstances (for all other material Tax Returns), Shareholder's Representative shall notify Parent in writing of any proposed changes that Shareholder's Representative may have to any item set forth on such material Tax Returns and the basis for any such changes and Parent shall consider in good faith all such changes. If Shareholder's Representative does not provide a notice of proposed changes to Parent for any such material Tax Returns within the time period specified in the preceding sentence, Parent is permitted to assume that Shareholder's Representative has no proposed changes to any such material Tax Return. Parent shall be entitled (but not obligated) to deduct from the Indemnity Holdback Amount (i) Taxes due with respect to any such Tax Return that are Indemnified Taxes, and (iii) Transfer Taxes for which the Shareholders are responsible pursuant to Section 6.9(h). The preparation and filing of any Tax Return of the Company that does not relate to a Pre-Closing Tax Period shall be exclusively within the control of Parent.

(c) Straddle Period. In the case of Taxes that are payable with respect to a taxable period that includes but does not end on the Closing Date (each such period, a "Straddle Period"), the portion of any such Taxes that are treated as Pre-Closing Taxes for purposes of this Agreement shall be:

(i) in the case of Taxes (A) based upon, or related to, income, receipts, profits, wages, capital or net worth, (B) imposed in connection with the sale, transfer or assignment of property, or (C) required to be withheld, deemed equal to the amount which would be payable if the taxable year ended with and included the Closing Date; and

(ii) in the case of other Taxes, deemed to be the amount of such Taxes for the entire period multiplied by a fraction the numerator of which is the number of days in the period ending on and including the Closing Date and the denominator of which is the number of days in the entire period.

(d) Tax Refunds. Any Tax refunds that are received by Parent or the Surviving Corporation, and any amounts credited against Taxes to which Parent or the Surviving Corporation become entitled, that relate to a Pre-Closing Tax Period shall be for the account of the Shareholders (net of any Taxes of Parent or the Surviving Corporation attributable to such refund or credit and reasonable expenses incurred by Parent or the Surviving Corporation in connection with obtaining such refund or credit), except to the extent (i) included as an asset in the determination of Net Working Capital or (ii) attributable to any Tax attribute arising in a taxable period (or portion thereof) beginning after the Closing Date, and, Parent shall pay over to the Shareholders' Representative for the benefit of the Shareholders any such refund or the amount of such credit within fifteen (15) days after receipt thereof or entitlement thereto, as applicable. Notwithstanding anything in this Agreement to the contrary, in the event that any such Tax refund or credit is subsequently determined by any Governmental Authority to be less than the amount paid by Parent to the Shareholders' Representative pursuant to this Section 6.9(d), the Shareholders' Representative shall return any such disallowed amounts (plus any interest and penalties in respect of such disallowed Tax refunds or credits owed to a Governmental Authority) to Parent (or its designee) within fifteen (15) days after receipt of written notice from Parent requesting the same. Parent may offset any amounts owed by it pursuant to this Section 6.9(d) against any Indemnified Taxes.

(e) Tax Proceedings. Parent shall promptly notify the Shareholders' Representative in writing upon receipt by Parent or any of its Affiliates (including, following the Closing, and for the avoidance of doubt, the Surviving Corporation) of any written communication from a Governmental Authority concerning any pending or threatened audit, claim, demand or administrative or judicial proceeding relating to Tax matters of the Company for any Pre-Closing Tax Periods in respect of which an indemnity may be sought by Parent pursuant to Article 9 (a "Tax Claim") describing such Tax Claim in reasonable detail; provided, that failure to comply with this provision shall not affect Parent's right to indemnification hereunder, except and only to the extent that the Shareholders or the Shareholders' Representative forfeit rights or defenses or is otherwise materially prejudiced by reason of such failure. Parent shall control the contest or resolution of any Tax Claim; provided, however , that Parent shall obtain the prior written consent of the Shareholders' Representative (which consent shall not be unreasonably withheld, conditioned, delayed, or denied) before entering into any settlement of a Tax Claim or ceasing to defend a Tax Claim. The Shareholders' Representative shall be entitled to participate, at its sole cost, in the defense of a Tax Claim and to employ counsel of its choice for such purpose, the fees and expenses of which separate counsel shall be borne solely by the Shareholders' Representative.

(f) Post-Closing Actions Relating to Taxes. Except as required by applicable Law or otherwise provided in this Section 6.9, Parent shall not, and shall not permit any of its Affiliates (including, after the Closing, for the avoidance of doubt, the Surviving Corporation) to, without the prior written consent of the Shareholders' Representative (which consent shall not be unreasonably withheld, conditioned, delayed, or denied), (i) amend, refile or otherwise modify (or grant an extension of any statute of limitations with respect to) any Tax Return of the Company for any Pre-Closing Tax Periods, (ii) voluntarily approach any Governmental Authority regarding any Tax matters of the Company for any Pre-Closing Tax Period the result of which would reasonably be expected to have a material adverse effect on the Taxes of the Company for any Pre-Closing Tax Period, (iii) take any action after the Closing that is outside

the Ordinary Course of Business that would reasonably be expected to have material adverse effect on the Taxes of the Company for any Pre-Closing Tax Period, or (iv) make or amend any Tax election with respect to the Surviving Corporation with retroactive effect for a Pre-Closing Tax Period; provided, however, that none of the following shall be deemed to restrict Parent from taking any action that it reasonably determines to be necessary or appropriate in connection with any VDA entered into by the Company with the applicable Governmental Authority of the State of California with respect to Taxes attributable to a Pre-Closing Tax Period . Following the Closing, the Shareholders' Representative, Parent and the Company shall work together in good faith to enter into a VDA with respect to the items set forth in the VDA Application. The Shareholders' Representative shall take all actions to cause all amounts due and owing by the Company with respect to the VDA to be paid timely, first, from the Representative Expense Amount and, second, by the Shareholders in accordance with each Shareholder's respective Pro Rata Share.

(g) Section 338 Election. Neither Parent nor the Surviving Corporation shall make, or cause to be made, any election under Section 338 of the Code (or similar provision of state, local or foreign Law) with respect to the transactions contemplated under this Agreement.

(h) Transfer Taxes . Except with respect to Taxes arising from the Real Property Transaction which shall be borne solely by Parent, all transfer, value-added, documentary, sales, excise, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement (collectively, the "Transfer Taxes") shall be borne 50% by Parent and 50% by the Shareholders. Parent shall file all necessary Tax Returns and other documentation with respect to all such Transfer Taxes and, if required by applicable Law or to the extent reasonably requested, each party shall cooperate in the preparation and filing and join in the execution of any such Tax Returns and other documentation.

(i) Termination of Existing Tax Sharing, Indemnity, Allocation and Similar Agreements. Any and all existing Tax sharing, Tax indemnity, Tax allocation, and similar agreements binding upon the Company shall be terminated as of the Closing Date. After such date, neither the Company nor any of its Representatives shall have any further rights or liabilities thereunder.

(j) Cooperation on Tax Matters. Each party shall cooperate fully, as and to the extent reasonably requested by any other party, in connection with the preparation and filing of any Tax Return and any Action with respect to Taxes. Such cooperation shall include the retention and, upon request, the provision of records and information that are reasonably relevant to any such Tax Return or Action or any Tax planning and shall also include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Each party further agrees, upon request, to use its commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including any Transfer Taxes).

(k) Conflicts. To the extent that any provision of Article 9 conflicts with any provision of this Section 6.9, the provisions of this Section 6.9 shall govern.

Section 6.10 Shareholders' Representative

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(a) Appointment of Shareholders' Representative . By approving this Agreement and the transactions contemplated hereby or by executing and delivering a Letter of Transmittal, each Shareholder does hereby irrevocably appoint the Shareholders' Representative, as its, his or her true and lawful attorney in fact and agent, with full power of substitution or re-substitution, to act on behalf of each such Shareholder to do or refrain from doing all such acts and things, and to execute and deliver all such documents, as the Shareholders' Representative shall deem necessary or appropriate in his, her or its sole discretion in connection with this Agreement, the Transaction Documents or the transactions contemplated hereby or thereby, including the power:

(i) to execute and deliver all amendments, waivers, ancillary agreements, instruments of assignment, notices, certificates and documents that the Shareholders' Representative deems necessary or appropriate in connection with the transactions contemplated hereby (including the consummation thereof) and any and all other agreements referenced herein;

(ii) to receive funds, make payments of funds, and give receipts for funds in a manner consistent with the terms of this Agreement (including Section 2.8, Section 3.3, Section 3.4, Section 6.9 and Article 9);

(iii) to agree to, negotiate, and enter into resolutions, settlements and compromises in respect of, any matters described in Section 3.3, and to comply with orders, determinations and awards of the Independent Accountant thereunder;

(iv) to agree to, negotiate, litigate, arbitrate, resolve, settle and compromise, and comply with orders of courts with respect to, claims for indemnification made by any Parent Indemnitee pursuant to Article 9;

(v) to take all actions on behalf of such Shareholder as is contemplated by this Agreement or the Transaction Documents;

(vi) to receive all notices or documents given or to be given to such Shareholder by Parent or any of its Affiliates pursuant to this Agreement or the Transaction Documents in connection herewith or therewith and to receive and accept service of legal process on behalf of such Shareholder in connection with any damages arising under or relating to this Agreement;

(vii) to engage counsel, and such accountants and other representatives for such Shareholder and incur such other expenses on behalf of such Shareholder in connection with this Agreement and the Transaction Documents as the Shareholders' Representative may, in each case, and in the Shareholders' Representative's sole discretion, deem appropriate;

(viii) to receive funds for the payment of expenses of any such Shareholder or the Shareholders' Representative and to apply such funds in payment for such expenses; and

(ix) to interpret any and all of the terms and provisions of this Agreement and make all determinations on behalf of such Shareholder as required under this Agreement.

The provisions of this Section 6.10, including the appointment of the Shareholders' Representative and power of attorney granted hereby, shall be deemed coupled with an interest and shall be irrevocable and shall survive the consummation of the transactions contemplated herein (and shall not be terminated by any act of any one or more Shareholders, or by operation of Law, whether by death or other event). Following the Closing, Parent shall be entitled to deal exclusively with the Shareholders' Representative on all matters relating to this Agreement (including with respect to Section 2.8, Section 3.3, Section 3.4, Section 6.9 and Article 9) and Parent, the Company and any other Person may conclusively and absolutely rely, without inquiry, upon any action of the Shareholders' Representative in all matters referred to herein, in each case as being fully binding upon the Shareholders. Any decision or action by the Shareholders' Representative hereunder, including any agreement between the Shareholders' Representative and Parent relating to the defense, payment or settlement of any claims for indemnification hereunder, shall constitute a decision or action of all Shareholders and shall be final, binding and conclusive upon each such Person. No Shareholder shall have the right to object to, dissent from, protest or otherwise contest the same. Each Shareholder hereby (or by executing and delivering a Letter of Transmittal) confirms all that the Shareholders' Representative shall do or cause to be done by virtue of his, her or its appointment as the representative of such Shareholder hereunder. The Shareholders' Representative shall act for each Shareholder on all of the matters set forth in this Agreement and the Transaction Documents in the manner that the Shareholders' Representative believes to be in the best interest of the Shareholders, but the Shareholders' Representative shall not be responsible to any Shareholder for any loss or damages which such Shareholder may suffer by the performance of the Shareholders' Representative's duties under this Agreement, other than loss or damages arising from willful violation of Laws, gross negligence or bad faith in the performance of such duties under this Agreement, the Transaction Documents or any other document or agreement contemplated herein. The Shareholders' Representative shall not have any duties or responsibilities except those expressly set forth in this Agreement or the Transaction Document, and no implied covenants, functions, responsibilities, duties, obligations, or liabilities shall be read into this Agreement or shall otherwise exist against the Shareholders' Representative.

(b) Reliance by Shareholders' Representative. The Shareholders' Representative shall be entitled to rely, and shall be fully protected in relying, upon any statements furnished to it by any Shareholder, Parent or the Company or any of their respective Affiliates, or any other evidence reasonably deemed by the Shareholders' Representative to be reliable, and the Shareholders' Representative shall be entitled to act on the advice of counsel, accountants or other independent experts selected by him, her or it with due care.

(c) Expenses of Shareholders' Representative. The Shareholders' Representative shall be entitled to retain counsel and to incur such out-of-pocket expenses

(including court costs and reasonable attorneys' fees and expenses) as the Shareholders' Representative deems to be necessary or appropriate in connection with his, her or its performance of his, her or its duties under this Agreement, and all such fees and expenses reasonably incurred by the Shareholders' Representative shall be borne by the Shareholders in accordance with each Shareholder's respective Pro Rata Share. For the avoidance of doubt, the Shareholders' Representative is not generating revenue as Shareholders' Representative under this Agreement and is being reimbursed for expenses reasonably incurred in connection with fulfilling his, her or its role as Shareholders' Representative under this Agreement. The Shareholders acknowledge that the Closing Merger Consideration includes a deduction of an amount equal to $300,000.00 (the "Representative Expense Amount"), which shall be paid to the Shareholders' Representative for its use in connection with Section 6.9 and this Section 6.10. Following the three (3) year anniversary of the Effective Time, the Shareholders' Representative shall pay to the Shareholders in accordance with their Pro Rata Shares the remaining balance of the Representative Expense Amount; provided that the Shareholders' Representative may, in its discretion, retain such amounts as the Shareholders' Representative deems reasonably necessary to cover any anticipated Shareholders' Representative Costs (as defined below) in connection with this Section 6.10.

(d) Indemnification.

(i) Each Shareholder hereby (or by executing and delivering a Letter of Transmittal) agrees to indemnify the Shareholders' Representative (in his, her or its capacity as such), and to hold the Shareholders' Representative (in his, her or its capacity as such) harmless from, such Shareholder's Pro Rata Share of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including those incurred pursuant to Section 6.10(c)) or disbursements of whatever kind which may at any time be imposed upon, incurred by or asserted against the Shareholders' Representative in such capacity in any way relating to or arising out of the Shareholders' Representative's action or failure to take action pursuant to this Agreement, the Transaction Documents or any other document or agreement contemplated herein or therein or in connection herewith in such capacity (collectively the "Shareholders' Representative Costs"); provided, however, that no Shareholder shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence, bad faith or willful misconduct of the Shareholders' Representative.

(ii) Any Shareholders' Representative Costs shall be paid first, from the Representative Expense Amount, and second, if amounts from the Representative Expense Amount are insufficient to pay the Shareholders' Representative Costs, then directly from the Shareholders in accordance with each Shareholder's respective Pro Rata Share.

(e) Conflicts of Interest. The Shareholders understand and agree that the Shareholders' Representative may have various actual, perceived or potential conflicts of interest and hereby (or by executing and delivering a Letter of Transmittal) waive and agree to waive any and all such conflicts of interest, to not assert any claim on the basis thereof, and not to seek to

disqualify the Shareholders' Representative due to any and all such conflicts of interest or potential conflicts of interest or appearances of impropriety.

(f) Death or Resignation. In the event of the death, incapacity or resignation of the Shareholders' Representative, a new Shareholders' Representative shall be appointed by the vote or written consent of the majority in interest of the Shareholders (according to each Shareholder's Pro Rata Share). Notice of such vote or a copy of the written consent appointing such new Shareholders' Representative shall be sent to Parent, such appointment to be effective upon the later of the date indicated in such consent or the date such notice is received by Parent; provided, that until such notice is received, Parent, Merger Sub and the Surviving Corporation shall be entitled to rely on the decisions and actions of the prior Shareholders' Representative.

Section 6.11 No Solicitation of Other Bids

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(a) During the period from the date of this Agreement to the earlier of the Closing Date and the termination of this Agreement in accordance with Article 10, the Company shall not, and shall not authorize or permit any of its Affiliates or any of its or their Representatives to, directly or indirectly, (i) encourage, entertain, solicit, initiate, facilitate or continue inquiries regarding an Acquisition Proposal; (ii) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal; or (iii) enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. The Company shall immediately cease and cause to be terminated, and shall cause its Affiliates and all of its and their Representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any Persons conducted heretofore with respect to, or that could lead to, an Acquisition Proposal. For purposes hereof, "Acquisition Proposal" shall mean any inquiry, proposal or offer from any Person (other than Parent) concerning (A) a merger, consolidation, liquidation, recapitalization, share exchange or other business combination transaction involving the Company; (B) the issuance or acquisition of any Equity Interests of the Company; or (iii) the sale, lease, exchange or other disposition of any of the Company's properties or assets other than sales of inventory of the Company in the Ordinary Course of Business.

(b) In addition to the other obligations under this Section 6.11, the Company shall promptly (and in any event within 24 hours after receipt thereof by the Company or its Representatives) advise Parent orally and in writing of (i) any Acquisition Proposal, any request for information with respect to any Acquisition Proposal, or any inquiry with respect to or that could reasonably be expected to result in an Acquisition Proposal, (ii) the terms and conditions of such request, Acquisition Proposal or inquiry (including providing Parent with copies of all documentation and correspondence relating thereto), and (iii) the identity of the Person making the same.

(c) The Company agrees that the rights and remedies for noncompliance with this Section 6.11 shall include having such provision specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to Parent and that money damages would not provide an adequate remedy to Parent.

Section 6.12 Supplements to Disclosure Schedules

. During the period from the date of this Agreement to the earlier of the Closing Date and the termination of this Agreement in accordance with Article 10, the Company shall have the right to supplement or amend the applicable section(s) of the Disclosure Schedules with respect to any matter first arising after the date hereof that, if existing or occurring as of the date of this Agreement, would have been required to be set forth or described in such section(s) of the Disclosure Schedules (each, a "Schedule Supplement"). Any disclosure in any such Schedule Supplement shall not be deemed to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement, including for purposes of the indemnification or termination rights contained in this Agreement or of determining whether or not the conditions set forth in Article 7 have been satisfied, and if such matter results in a material inaccuracy or breach of any representation or warranty of the Company contained in this Agreement, as reasonably determined by Parent in good faith, then Parent shall have the right to terminate this Agreement within five (5) Business Days of its receipt of such Schedule Supplement, by written notice to the Company.

Section 6.13 Financing; PPP Loan; Financial Statements

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(a) During the period from the date of this Agreement to the earlier of the Closing Date and the termination of this Agreement in accordance with Article 10, the Company shall use its commercially reasonable efforts to provide, and will use commercially reasonable efforts to cause its Representatives to provide, such cooperation (provided that such requested cooperation does not unreasonably interfere with the ongoing operations of the Company) reasonably requested by Parent in connection with any contemplated financing for the transactions contemplated by this Agreement (the "Financing "), including using commercially reasonable efforts to (a) facilitate the pledging of collateral and granting of security interests in connection with the Financing (subject to the occurrence of the Closing), (b) provide the documentation and other information about the Company and each of its respective Representatives as is reasonably requested in connection with the Financing with respect to applicable "know your customer" and anti-money laundering rules and regulations including the USA PATRIOT Act, (c) cause the taking of corporate actions (subject to the occurrence of the Closing) by the Company reasonably necessary to permit the completion of the Financing and (d) execute and deliver at the Closing definitive documents, in form and substance reasonably acceptable to the Company, related to the Financing; provided that the Company shall not be required to incur any liability in connection with the Financing prior to the Closing.

(b) During the period from the later of the date of this Agreement and the Company's receipt of the proceeds of the PPP Loan until the earlier of the Closing Date and the termination of this Agreement in accordance with Article 10 (the "Shareholder PPP Period"), the Company shall (i) only use the proceeds of the PPP Loan for payment of the following costs: (A) payroll costs (as defined in the Cares Act and in 2.f of the Paycheck Protection Program Interim Final Rule); (B) costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums; (C) mortgage interest payments (but not mortgage prepayments or principal payments); (D) rent payments; (E) utility payments; and (F) interest payments on any other debt obligations that were incurred before February 15, 2020 ; (ii) not take any action during the Shareholder PPP Period that would violate the PPP-Related Laws/Rules or the loan documents for the PPP Loan, and (iii) cooperate with Parent on the applicable calculations relating to forgiveness in whole of the PPP Loan.

(c) Following the Closing, the Shareholders' Representative shall provide, on a timely basis and at Parent's sole cost and expense, such cooperation and assistance as Parent may reasonably request in connection with the preparation of financial statements for the Company for any fiscal period from and after March 31, 2020, through and including June 30, 2020, which would include any (i) quarterly financial statements that may be subject to review by the Company's registered public accounting firm and (ii) pro forma financial statements relating to the Closing, all as required by the Exchange Act, the rules and regulations of the SEC, or any rule or regulation of any securities exchange upon which the securities of Parent are listed or traded, which cooperation and assistance shall include access to, and compiling and organization of, the financial, accounting, and other information and records reasonably requested by Parent in connection with the preparation of such financial statements (including copies of the books and records of the Company that, prior to the Closing, had been provided to the Company's independent auditing firm in connection with such firm's rendering of pre-Closing services to the Company).

Section 6.14 Real Estate Matters

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(a) Title Insurance; Survey. Parent may obtain, at its sole option and expense, and the Company shall grant Parent, any proposed purchaser of the Owned Real Property contemplated by Section 6.14(b), and their respective Representatives access (subject to the terms of any Real Property Lease or consent of any lessor required thereunder) to obtain (i) commitments for owner's and lender's title insurance policies on the Owned Real Property and commitments for leasehold and lender's title insurance policies for all leased Real Property (collectively, the "Title Commitments") and (ii) an ALTA survey on each parcel of Real Property (the "Surveys"). The Company shall reasonably cooperate with Parent and such other Persons in obtaining such Title Commitments and Surveys, including by providing commercially reasonable affidavits to the title company.

(b) Sale of Owned Real Property. During the period from the date of this Agreement to the earlier of the Closing Date and the termination of this Agreement in accordance with Article 10, the Company shall use its commercially reasonable efforts to provide, and will use commercially reasonable efforts to cause its Representatives to provide, such cooperation (provided that such requested cooperation does not unreasonably interfere with the ongoing operations of the Company) reasonably requested by Parent in connection with any contemplated or potential sale of the Owned Real Property to a third party and leaseback thereof to the Company (a "Real Property Transaction") effective immediately before, at or after the Effective Time, including executing and delivering at the Closing definitive documents related to a Real Property Transaction; provided that the Company shall not be required to incur any liability in connection with a Real Property Transaction prior to the Closing.

Section 6.15 Employment and Restrictive Covenants and Release Agreements

. As of the date of this Agreement, Parent and/or the Company, as the case may be, have or has entered into (a) an employment agreement with the Key Employee in substantially the form attached hereto as Exhibit F , and (b) a restrictive covenants and release agreement with each Key Shareholder in substantially the form attached hereto as Exhibit G , in each case that becomes effective as of (and subject to the occurrence of) the Effective Time.

ARTICLE 7

CONDITIONS TO OBLIGATIONS OF PARENT AND MERGER SUB

The obligations of Parent and Merger Sub under this Agreement to effect the Closing shall be subject to the satisfaction, at or prior to the Closing, of all of the following conditions, any one or more of which may be waived by Parent:

Section 7.1 Representations and Warranties Accurate

. On and as of the date hereof and on and as of the Closing Date as though made on and as of the Closing Date (except for such representations and warranties expressly stated to relate to an earlier date, in which case, as of such earlier date), e ach of (a) the representations and warranties set forth in Section 4.1 (Organization and Power), Section 4.2 (Authority; Binding Obligation; Board Approval), Section 4.4 (Capitalization) and Section 4.18 (Brokers) shall be true and correct in all respects, and (b) the representations and warranties contained in Article 4 (other than those contained in the Sections listed in clause (a) of this Section 7.1) shall be true and correct in all material respects; provided, that clause (b) shall be deemed satisfied unless the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.

Section 7.2 Performance

. The Company shall have performed and complied in all material respects with all agreements and covenants required by this Agreement and the Company Documents to be performed and complied with by the Company prior to or on the Closing Date.

Section 7.3 No Legal Prohibition or Action

. On the Closing Date, there shall exist no (a) Order issued by any Governmental Authority or court of competent jurisdiction that prohibits the consummation of the transactions contemplated under this Agreement or the Transaction Documents or (b) pending Action against Parent, Merger Sub or the Company that attempts to enjoin the consummation of the transactions contemplated under this Agreement or the Transaction Documents.

Section 7.4 Requisite Company Vote

. This Agreement shall have been duly adopted by the Requisite Company Vote.

Section 7.5 Consents

. All approvals, consents and waivers that are listed on Section 7.5 of the Disclosure Schedules shall have been received, and executed counterparts thereof shall have been delivered to Parent at or prior to the Closing.

Section 7.6 No MAE

. From the date of this Agreement, there shall not have occurred any Material Adverse Effect, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, would reasonably be expected to result in a Material Adverse Effect.

Section 7.7 Employment and Restrictive Covenants and Release Agreements

. None of the employment agreement or restrictive covenants and release agreements delivered pursuant to this Agreement and referred to in Section 6.15 shall have been revoked or terminated by any party thereto.

Section 7.8 Voting Agreements

. None of the Voting Agreements shall have been revoked or terminated by any party thereto.

Section 7.9 Termination of Buy-Sell Agreement

. The Company shall have delivered to Parent evidence of the termination of the Buy-Sell Agreement effective as of (and subject to the occurrence of) the Effective Time, in form and substance reasonably satisfactory to Parent.

Section 7.10 Closing Deliveries

. The Company shall have delivered each of the deliverables set forth in Section 3.2(a).

Section 7.11 Appraisal Rights

. Holders of no more than ten percent (10%) of the outstanding Shares as of immediately prior to the Effective Time, in the aggregate, shall remain entitled to exercise, statutory appraisal rights pursuant to Section 1575 of the PAC with respect to such Shares.

Section 7.12 Covid 19

. The completion of the Financing shall not have failed solely due to the financial effects of the coronavirus disease known as COVID-19 on the Company.

Section 7.13 Frustration of Closing Conditions

. Parent may not rely on the failure of any condition set forth in this Article 7 to be satisfied if such failure was materially contributed to by the failure of Parent or Merger Sub to use commercially reasonable efforts to cause the Closing to occur, as required by and subject to Section 6.4.

ARTICLE 8

CONDITIONS TO OBLIGATIONS OF THE COMPANY

The obligation of the Company to effect the Closing shall be subject to the satisfaction, at or prior to the Closing, of all of the following conditions, any one or more of which may be waived by the Company:

Section 8.1 Representations and Warranties Accurate

. The representations and warranties of Parent and Merger Sub contained in Article 5 (without giving effect to any materiality qualification therein) shall be true and correct in all respects on and as of the date hereof and on and as of the Closing Date as though made on and as of the Closing Date (except for representations and warranties expressly stated to relate to a specific date, in which case such representations and warranties shall be true and correct in all material respects on such earlier date) , except for any failure or failures of such representations and warranties to be true and correct that do not, individually or in the aggregate, have a material adverse effect on the ability of Parent to perform its obligations under this Agreement or consummate the transactions contemplated hereby on a timely basis.

Section 8.2 Performance

. Parent and Merger Sub shall have performed and complied in all material respects with all agreements and covenants required by this Agreement or the Parent Documents to be performed and complied with by them prior to or on the Closing Date.

Section 8.3 Legal Prohibition

. On the Closing Date, there shall exist no (a) Order issued by any Governmental Authority or court of competent jurisdiction that prohibits the

consummation of the transactions contemplated under this Agreement or the Transaction Documents or (b) pending Action against Parent, Merger Sub or the Company that attempts to enjoin the consummation of the transactions contemplated under this Agreement or the Transaction Documents.

Section 8.4 Requisite Company Vote

. This Agreement shall have been duly adopted by the Requisite Company Vote.

Section 8.5 Closing Deliveries

. Parent shall have delivered each of the closing deliverables set forth in Section 3.2(b).

Section 8.6 Frustration of Closing Conditions

. The Company may not rely on the failure of any condition set forth in this Article 8 to be satisfied if such failure was materially contributed to by the failure of the Company to use commercially reasonable efforts to cause the Closing to occur, as required by and subject to Section 6.4.

ARTICLE 9

INDEMNIFICATION

Section 9.1 Survival

. Subject to the other provisions of this Article 9, (a) the representations and warranties contained herein and claims for indemnification under Section 9.2(c) shall survive the Closing and shall remain in full force and effect until January 31, 2022 (the "Indemnity Holdback Period"); provided, that (i) the representations and warranties in Section 4.1 (Organization and Power), Section 4.2 (Authority; Binding Obligation; Board Approval), Section 4.4 (Capitalization), Section 4.18 (Brokers), Section 5.1 (Organization), Section 5.2 (Authority; Binding Obligation) and Section 5.7 (Brokers) shall survive for a period of six (6) years, and (ii) the representations and warranties in Section 4.12 (Taxes) shall survive for the full period of the applicable statute of limitations (giving effect to any waiver, mitigation or extension thereof) plus 60 days; (b) the covenants and agreements of the parties contained in this Agreement that are to be performed in their entirety prior to the Closing shall survive the Closing until the date that is twelve (12) months after the Closing Date; (c) the covenants and agreements of the parties contained in this Agreement that are to be performed in whole or in part after the Closing shall survive the Closing in accordance with their respective terms; (d) claims for indemnification under Section 9.2(d) shall survive until the earlier of (i) the date that is 15 calendar days following the date on which the clerk of the court in which the Indemnified Litigation is pending has filed a dismissal with prejudice in favor of each of the Parent Indemnitees in respect of each and every cause of action of every party adverse to any Parent Indemnitee in the Indemnified Litigation (whether such cause of action has been styled in a complaint, cross-complaint, third-party complaint, or counterclaim, each, if and as amended) and (ii) the date that is 15 calendar days following the date on which a judgment or award by a court of competent jurisdiction has been issued with respect to every claim under, and every party to, the Indemnified Litigation and such judgment or award shall have become final and non-appealable (such date under the preceding clause (i) or (ii), as applicable, the "Indemnified Litigation Expiration Date"); and (e) claims for indemnification under Section 9.2(e) and Section 9.2(f) shall survive indefinitely. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice

from the Indemnified Party to the Indemnifying Party prior to the expiration date of the applicable survival period set forth above shall not thereafter be barred by the expiration of the relevant survival period and such claims shall survive until finally resolved.

Section 9.2 Indemnification By Shareholders

. Subject to the other terms and conditions of this Article 9, the Shareholders, severally and not jointly (in accordance with their Pro Rata Shares), shall indemnify and defend each of Parent and its Affiliates (including the Surviving Corporation) and their respective Representatives (collectively, the "Parent Indemnitees") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Parent Indemnitees arising out of:

(a) any inaccuracy in or breach of any of the representations or warranties of the Company contained in this Agreement or in any Company Document;

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by the Company pursuant to this Agreement;

(c) any and all Indemnified Taxes;

(d) the Indemnified Litigation;

(e) any claim made by any Shareholder arising out of such Shareholder's rights with respect to the Merger Consideration, including the calculations and determinations set forth in the Consideration Spreadsheet; or

(f) any amounts paid to the holders of Appraisal Shares, including any interest required to be paid thereon, that are in excess of what such holders would have received hereunder had such holders not been holders of Appraisal Shares.

Section 9.3 Indemnification By Parent

. Subject to the other terms and conditions of this Article 9, Parent shall indemnify and defend each of the Shareholders and their Affiliates and their respective Representatives (collectively, the "Shareholder Indemnitees") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Shareholder Indemnitees arising out of:

(a) any inaccuracy in or breach of any of the representations or warranties of Parent and Merger Sub contained in this Agreement or in any Parent Document;

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Parent or Merger Sub pursuant to this Agreement; or

(c) the Real Property Transaction (provided, that, for the avoidance of doubt, the Shareholder Indemnitees shall not make any claim for indemnification against Parent under this Section 9.3(c) by reason of any otherwise indemnifiable claim brought by a Parent Indemnitee against the Shareholders under Section 9.2).

Section 9.4 Certain Limitations; Materiality Scrape

. The indemnification provided for in Section 9.2 and Section 9.3 shall be subject to the following provisions:

(a) (i) The Shareholders shall not be liable to the Parent Indemnitees for indemnification under Section 9.2(a) until the aggregate amount of all Losses in respect of indemnification under Section 9.2(a) exceeds $240,000 (the "Deductible"), in which event the Shareholders shall be liable for all such Losses in excess of the Deductible, and (ii) the aggregate amount of all Losses for which the Shareholders shall be liable for indemnification under Section 9.2(a), Section 9.2(b), and Section 9.2(d) shall not exceed the Indemnity Holdback Amount; provided, however, that neither Section 9.4(a)(i) nor Section 9.4(a)(ii) shall apply to Losses arising out of (A) any inaccuracy in or breach of any representation or warranty in Section 4.1 (Organization and Power), Section 4.2 (Authority; Binding Obligation; Board Approval), Section 4.4 (Capitalization), Section 4.18 (Brokers) or Section 4.12 (Taxes) (collectively, the "Fundamental Representations") or (B) actual fraud of the Company. Notwithstanding anything to the contrary contained herein, (x) no Shareholder shall be liable with respect to any Loss in excess of the amount equal to such Loss multiplied by such Shareholder's Pro Rata Share, and (y) but subject to this Section 9.4, a Shareholder's aggregate liability under this Agreement shall not exceed the amounts paid to such Shareholder pursuant to this Agreement; provided, however, that, for the avoidance of doubt, this sentence shall not be deemed to limit or restrict in any manner any right of Parent or other Parent Indemnitee to deduct, release, and retain from the Indemnity Holdback Amount the amount of any Losses payable to it pursuant to this Article 9.

(b) Payments by an Indemnifying Party pursuant to Section 9.2 or Section 9.3 in respect of any Loss shall be limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds and any indemnity, contribution or other similar payment actually received by the Indemnified Party in respect of any such claim, less any related costs and expenses, including the aggregate cost of pursuing any related insurance claims and any related increases in insurance premiums or other chargebacks (it being agreed that each party shall use commercially reasonable efforts to seek to recover insurance proceeds in connection with making a claim under this Article 9 and that, promptly after the realization of any insurance proceeds, indemnity, contribution or other similar payment, the Indemnified Party shall reimburse the Indemnifying Party for such reduction in Losses for which the Indemnified Party was indemnified prior to the realization of reduction of such Losses).

(c) The Shareholders shall not be liable under this Article 9 for any duplication of amounts taken into account in (i) the determinations pursuant to Section 3.3 of Estimated Indebtedness, Estimated Net Working Capital, Estimated Cash, Estimated Transaction Expenses, Actual Indebtedness, Actual Net Working Capital, Actual Cash, or Actual Transaction Expenses or (ii) the determination of the Uncollected A/R Amount pursuant to Section 3.4.

(d) For purposes of this Article 9, in calculating any Losses, as opposed to whether there has been a breach or inaccuracy, such Losses shall be calculated without regard to qualifications as to "materiality," including the word "material" or "Material Adverse Effect".

Section 9.5 Indemnification Procedures

. The Person making a claim under this Article 9 is referred to as the "Indemnified Party", and the Person against whom such claims are asserted under this Article 9 is referred to as the "Indemnifying Party". For purposes of this

Article 9, (i) if Parent (or any other Parent Indemnitee) is the Indemnified Party, any references to Indemnifying Party (except provisions relating to an obligation to make payments) shall be deemed to refer to the Shareholders' Representative and (ii) if Parent is the Indemnifying Party, any references to the Indemnified Party shall be deemed to refer to the Shareholders' Representative. Any payment received by the Shareholders' Representative as the Indemnified Party shall be distributed to the Shareholders in accordance with this Agreement.

(a) Third Party Claims. If any Indemnified Party receives notice of the assertion or commencement of any Action made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a "Third Party Claim ") against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than 30 calendar days after receipt of such notice of such Third Party Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure or is otherwise materially prejudiced by such delay. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnified Party shall have the right to direct and control the defense of any Third Party Claim with counsel selected by it and reasonably acceptable to the Shareholders' Representative. The Indemnifying Party shall have the right to participate in the defense of any Third Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense. The Shareholders' Representative and Parent shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim.

(b) Settlement of Third Party Claims. The Indemnified Party shall not agree to any settlement of any Third Party Claim without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, conditioned, delayed, or denied).

(c) Direct Claims. Any Action by an Indemnified Party on account of a Loss that does not result from a Third Party Claim (a "Direct Claim") shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than 30 days after the Indemnified Party becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure or is otherwise materially prejudiced by such delay. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 30 days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party's

investigation by giving such information and assistance (including access to the Company's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such 30-day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

(d) Indemnified Litigation. Notwithstanding anything to the contrary in Section 9.5(a), (b), or (c) but subject to the terms in this Section 9.5(d), the Shareholders, through the Shareholders' Representative, shall have the right to contest, defend, litigate or settle the Indemnified Litigation with the representation of counsel that is currently engaged (or counsel's successor as chosen by the Shareholders' Representative acceptable to Parent) regarding the Indemnified Litigation. In connection therewith, (i) the Parent Indemnitees shall reasonably cooperate with the Shareholders' Representative and such counsel in their preparation and conduct of such defense and shall provide the Shareholders' Representative and its counsel with such documents and information relating thereto as the Shareholders' Representative or such counsel may reasonably request, (ii) the Parent Indemnitees shall have the right to be represented by counsel at their own expense in such defense conducted by the Shareholders' Representative and (iii) the Shareholders' Representative may not enter into any settlement of the Indemnified Litigation without the prior written consent (which consent shall not be unreasonably withheld, conditioned, delayed, or denied) of Parent (unless, with respect to such settlement, (A) the claimant and the Shareholders' Representative provide to the Parent Indemnitees an unqualified and unconditional release from all liability in respect of the Indemnified Litigation on a customary form reasonably acceptable to each applicable Parent Indemnitees, and (B) such settlement does not impose any liabilities or obligations on the Parent Indemnitees other than financial obligations for which such Parent Indemnitees will be indemnified in full hereunder by the Shareholders, or unless the Parent Indemnitees waive any right to indemnification from the Shareholders in respect of the Indemnified Litigation, in either which case the Shareholders' Representative may enter into any such settlement of the Indemnified Litigation without any consent from the Parent Indemnitees). Notwithstanding the foregoing, if at any time the anticipated settlement or other resolution of the Indemnified Litigation is reasonably expected to exceed the Indemnified Litigation Amount in the opinion of Parent's counsel, then the Parent shall have, after reasonable consultation with the Shareholders' Representative, the right to replace the counsel, subject to the insurance carrier's consent, that is currently engaged on behalf of the Company (or that counsel's successor as chosen by the Shareholders' Representative pursuant to the terms hereof) and to contest, defend, litigate or settle the Indemnified Litigation with the representation of its counsel (reasonably acceptable to Shareholders' Representative), at its reasonable discretion regarding the Indemnified Litigation; provided, however, that the Parent Indemnitees shall have no recourse under Article IX for the attorneys' fees of such replacement counsel (a) in respect of any incremental difference between such replacement counsel's fees that are based on hourly rates in excess of the hourly rates charged by existing counsel, or (b) if such fees are not covered by the Company's insurance carrier. In the event that existing counsel engaged on behalf of the Company regarding the Indemnified Litigation is replaced as described above, then the Shareholders' Representative shall have the right to be represented by counsel at its own expense and the Parent Indemnitees shall reasonably cooperate with the Shareholders' Representative and its counsel.

(e) Disputes. Nothing in this Section 9.5 shall prohibit an Indemnifying Party from disputing its indemnification, defense and hold harmless obligations with respect to any Third Party Claim or Direct Claim, and all such disputes shall be governed by Section 11.12 hereof.

Section 9.6 Payments; Release of Indemnity Holdback Amount

.

(a) Once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this Article 9 , (i) in the case of a Loss for any claim under Section 9.2, Parent shall be entitled to deduct, release and retain from the Indemnity Holdback Amount the lesser of (A) the amount of such Loss and (B) the then-remaining balance of the Indemnity Holdback Amount; provided, however, that in the case of a Loss for (1) a claim made by a Parent Indemnitee under Section 9.2(a) for any inaccuracy or breach of any Fundamental Representation or (2) a claim made by a Parent Indemnitee under Section 9.2(c), Section 9.2(e) or Section 9.2(f) , (x) if such Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this Article 9 after the first Business Day following the Indemnified Litigation Expiration Date, then, after applying the then-remaining portion, if any, of the Indemnity Holdback Amount to such Losses, any remaining Loss may be satisfied from the Shareholders, severally and not jointly (in accordance with their Pro Rata Shares) or (y) if such Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this Article 9 prior to the first Business Day following the Indemnified Litigation Expiration Date, then all or a portion of such Loss may be satisfied, at Parent's sole discretion, (I) from the Indemnity Holdback Amount and/or (II) from the Shareholders, severally and not jointly (in accordance with their Pro Rata Shares); and (ii) in the case of a Loss for any claim under Section 9.3 , Parent shall pay to the Shareholders' Representative, for the benefit of the Shareholders (in accordance with respective Pro Rata Shares), within five (5) Business Days following the final determination of the amount of such Loss pursuant to this Article 9, by wire transfer of immediately available funds to an account designated in writing by the Shareholders' Representative, the amount of such Loss.

(b) (i) In the event that the Indemnified Litigation Expiration Date shall have occurred prior to the expiration of the Indemnity Holdback Period, then, on the first Business Day following the expiration of the Indemnity Holdback Period, Parent shall release to the Shareholders' Representative, for the benefit of the Shareholders (in accordance with their respective Pro Rata Shares), the then-remaining balance of the Indemnity Holdback Amount, less the aggregate amount of all Losses specified in any then-unresolved claims for indemnification made in accordance with this Article 9 or (ii) in the event that the Indemnified Litigation Expiration Date shall not have occurred prior to the expiration of the Indemnity Holdback Period, then, (A) on the first Business Day following the expiration of the Indemnity Holdback Period, Parent shall release to the Shareholders' Representative, for the benefit of the Shareholders (in accordance with their respective Pro Rata Shares), the then-remaining balance of the Indemnity Holdback Amount, less the sum of (1) the aggregate amount of all Losses specified in any then-unresolved claims for indemnification made in accordance with this Article 9 *plus* (2) an amount equal to the lesser of (x) $1,500,000 (the "Indemnified Litigation Amount") and (y) the then-remaining balance of the Indemnity Holdback Amount, and (B) on the first Business Day following the Indemnified Litigation Expiration Date, Parent shall release to the Shareholders' Representative, for the benefit of the Shareholders (in accordance with their

respective Pro Rata Shares), the then-remaining balance of the Indemnity Holdback Amount (which, for the avoidance of doubt, shall take into account the deduction of all Losses incurred or payable by any Parent Indemnitee arising of out any judgment or award issued by a court, or any settlement entered into, in respect of the Indemnified Litigation), less the aggregate amount of all Losses specified in any then-unresolved claims for indemnification made in accordance with this Article 9. In the event any portion of the applicable amount is not released to the Shareholders' Representative in accordance with the preceding sentence as a result of the reduction in respect of any then-unresolved claims for indemnification, following the final determination of any such outstanding claims and payment in respect thereof by release of funds from the Indemnity Holdback Amount to Parent pursuant to Section 9.6(a), Parent shall promptly, and in any event within five (5) Business Days following the final determination of such claims, release to the Shareholders' Representative, for the benefit of the Shareholders (in accordance with their respective Pro Rata Shares), an amount as determined pursuant to the first sentence of this Section 9.6(b) (after giving effect to the resolution and, as applicable, payment of such claims by release of funds from the Indemnity Holdback Amount to Parent).

Section 9.7 Tax Treatment of Indemnification Payments

. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Merger Consideration for Tax purposes, unless otherwise required by Law.

Section 9.8 Exclusive Remedies

. Except as provided in Section 11.14, each party acknowledges and agrees that, following the Closing, its sole and exclusive remedy with respect to any and all claims relating to the subject matter of this Agreement and the transactions contemplated hereby shall be pursuant to the indemnification provisions set forth in this Article 9, the post-Closing adjustment provisions set forth in Section 3.3 or the Tax payment and dispute provisions set forth in Section 6.9, as applicable. In furtherance of the foregoing, but without limiting or otherwise affecting in any respect the rights of indemnification expressly provided for under this Article 9, the post-Closing adjustment provisions set forth in Section 3.3 or the Tax payment and dispute provisions set forth in Section 6.9, as applicable, each party hereby waives, to the fullest extent permitted under Law and except as provided in Section 11.14, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other parties hereto and their Affiliates and each of their respective Representatives arising under or based upon any Law and following the Closing. Notwithstanding anything to the contrary in this Article 9 or elsewhere in this Agreement, nothing in this Article 9 or elsewhere in this Agreement shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled or to seek and obtain any remedy for actual fraud. For the avoidance of doubt and without liming the generality of the preceding sentence, none of the limitations set forth in Section 9.4, Section 9.6, this Section 9.8 or elsewhere in this Agreement (including in Section 11.3) shall apply to any claim or remedy for actual fraud.

Section 9.9 No Circular Recovery

Section 9.10 . Notwithstanding anything to the contrary in this Agreement, the Shareholders' Representative, on behalf of itself and the Shareholders, hereby agrees that it will not make any claim for indemnification against any Parent Indemnitee by reason of the fact that any Shareholder was a controlling person, director, employee or representative of the Company or any of its Affiliates or was serving as such for another Person

at the request of the Company or any of its Affiliates (whether such claim is for Losses of any kind or otherwise) with respect to any claim brought by a Parent Indemnitee against the Shareholders under this Agreement.

ARTICLE 10

TERMINATION

Section 10.1 Termination

. This Agreement may be terminated prior to the Closing as follows:

(a) by the mutual consent of Parent and the Company;

(b) at the election of Parent or the Company if the Closing Date shall not have occurred on or before July 31, 2020 (such date, the "Termination Date"); provided, however, that the right to terminate this Agreement under this Section 10.1(b) shall not be available to any party whose breach of this Agreement has materially contributed to, or resulted in, the failure to consummate the transactions contemplated hereby by the Termination Date;

(c) by Parent if the Company shall have breached or failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, or if any representation or warranty of the Company shall have become untrue, which breach or failure to perform or to be true, either individually or in the aggregate, if occurring or continuing at the Closing, (i) would result in the failure of any of the conditions set forth in Section 7.1 or 7.2 and (ii) cannot be or has not been cured or waived by Parent by the earlier of (A) one (1) Business Day prior to the Termination Date and (B) ten (10) Business Days after the giving of written notice to the Company of such breach or failure; provided, that Parent shall not have the right to terminate this Agreement pursuant to this Section 10.1(c) if Parent is then in breach of any of its covenants or agreements set forth in this Agreement or the Parent Documents, which breach would result in the failure of any of the conditions set forth in Section 8.1 or 8.2;

(d) by the Company if Parent or Merger Sub shall have breached or failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, or if any representation or warranty of Parent or Merger Sub shall have become untrue, which breach or failure to perform or to be true, either individually or in the aggregate, if occurring or continuing at the Closing, (i) would result in the failure of any of the conditions set forth in Section 8.1 or 8.2 and (ii) cannot be or has not been cured or waived by the Company by the earlier of (A) one (1) Business Day prior to the Termination Date and (B) ten (10) Business Days after the giving of written notice to Parent of such breach or failure; provided, that the Company shall not have the right to terminate this Agreement pursuant to this Section 10.1(d) if the Company is then in breach of any of its covenants or agreements set forth in this Agreement, which breach would result in the failure of any of the conditions set forth in Section 7.1 or 7.2;

(e) by Parent pursuant to Section 6.12; or

(f) there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or, subject to Section 6.4, if a court of competent jurisdiction or other Governmental Authority shall have issued an Order

permanently restraining, enjoining or otherwise prohibiting the transactions contemplated under this Agreement or the Transaction Documents and such Order shall have become final and non-appealable.

The party desiring to terminate this Agreement pursuant to this Section 10.1 (other than Section 10.1(a)) shall give written notice of such termination to the other party.

Section 10.2 Effect of Termination

. If this Agreement is terminated in accordance with Section 10.1, this Agreement shall become void and of no further force and effect and none of the parties hereto shall have any liability in respect of a termination of this Agreement; provided, however , that no party hereto shall be relieved from liability or damages (which the parties acknowledge and agree shall not be limited to reimbursement of expenses or out-of-pocket costs) for (a) any breach of any of its representations, covenants or agreements contained in this Agreement prior to termination, or (b) a failure of any party to consummate the transactions contemplated by this Agreement on the date the Closing should have occurred pursuant to Section 3.1 herein; and provided, further, that the provisions of Section 6.3(b) (Confidentiality), 6.13 (Shareholders' Representative), 10.2 (Effect of Termination), 11.11 (Governing Law), 11.12 (Exclusive Jurisdiction; Consent to Service of Process) and 11.13 (Waiver of Jury Trial), and the Confidentiality Agreement shall each survive the termination of this Agreement.

ARTICLE 11

MISCELLANEOUS

Section 11.1 Expenses

. Except as otherwise expressly provided herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

Section 11.2 Amendment

. This Agreement may not be amended except by an instrument in writing signed on behalf of Parent, Merger Sub, the Company and the Shareholders' Representative; provided, however, that after the Requisite Company Vote is obtained, there shall be no amendment or waiver that, pursuant to applicable Law, requires further approval of the Shareholders, without the receipt of such further approvals.

Section 11.3 Entire Agreement

. This Agreement, including the Disclosure Schedules and Exhibits attached hereto and which are deemed for all purposes to be part of this Agreement, the Transaction Documents and the Confidentiality Agreement, contain all of the terms, conditions and representations and warranties agreed upon or made by the parties relating to the subject matter of this Agreement and the business and operations of the Company and supersede all prior and contemporaneous agreements, negotiations, correspondence, undertakings and communications of the parties or their Representatives, oral or written, respecting such subject matter. No representation, warranty, inducement, promise, understanding or condition not set forth in this Agreement or any of the Transaction Documents has been made or relied upon by any of the parties. The parties have voluntarily agreed to define their rights, liabilities and obligations respecting the subject matter hereof exclusively in contract pursuant to the express

terms and provisions of this Agreement and the parties expressly disclaim that they are owed any duties or are entitled to any remedies not expressly set forth in this Agreement or any Transaction Document. Furthermore, the parties each hereby acknowledge that this Agreement embodies the justifiable expectations of sophisticated parties derived from arm's-length negotiations; the parties specifically acknowledge that no party has any special relationship with another party that would justify any expectation beyond that of ordinary parties in an arm's-length transaction.

Section 11.4 Headings

. The headings contained in this Agreement are intended solely for convenience and shall not affect the rights of the parties to this Agreement.

Section 11.5 Notices

. Any notice or other communication required or permitted under this Agreement shall be deemed to have been duly given and made if (a) in writing and served by personal delivery upon the party for whom it is intended, (b) if delivered by facsimile or email with receipt confirmed, or (c) if delivered by courier service, return-receipt received to the party at the address set forth below, with copies sent to the Persons indicated:

If to the Company:

Precision Industries, Inc.
99 Berry Road
Washington, PA 15301
Attention: D. Jackson Milhollan
Email: jmilhollan@pmsteel.com

With a copy to (which shall not constitute notice):

Clark Hill PLC
One Oxford Centre
301 Grant Street, 14th Floor
Pittsburgh, Pennsylvania 15219
Attention: Jarrod J. Duffy
Email: jduffy@clarkhill.com

If to Parent, Merger Sub or the Surviving Corporation:

Live Ventures Incorporated
325 East Warm Springs Road
Suite 102
Las Vegas, Nevada 89119
Attention: Michael J. Stein, Senior Vice President, General Counsel
Email: mstein@liveventures.com

With a copy to (which shall not constitute notice):

Randolf W. Katz, Esq.
14252 Colver Drive
Suite A-201
Irvine, California 92604
Email: randy@randykatzlaw.com

and

Baker & Hostetler LLP
312 Walnut Street
Suite 3200
Cincinnati, Ohio 45202
Attention: Robert F. Morwood, Esq.
Email: rmorwood@bakerlaw.com

If to the Shareholders' Representative:

D. Jackson Milhollan
61 West Prospect Avenue
Washington, Pa. 15301
Email: dmilhollan@hotmail.com

With a copy to (which shall not constitute notice):

Clark Hill Plc
One Oxford Centre, 14th Floor
301 Grant Street
Pittsburgh, PA 15219
Attention: Jarrod J. Duffy, Esq.
Email: jduffy@clarkhill.com

Such addresses may be changed, from time to time, by means of a notice given in the manner provided in this Section 11.5.

Section 11.6 Disclosure Schedules

. Any matter, information or item disclosed in any section or subsection of the Disclosure Schedules shall be deemed to have been disclosed for the corresponding section or subsection of this Agreement and any other section or subsection of this Agreement, if and only to the extent that it is readily apparent, based on the face of such disclosure, that it applies to such other section or subsection of this Agreement. The inclusion of any matter, information or item in the Disclosure Schedules shall not be deemed to constitute an admission of any liability by the Company or Parent, respectively, to any third party or otherwise imply that any such matter, information or item is material or creates a measure for materiality for the purposes of this Agreement.

Section 11.7 Waiver

. Waiver of any term or condition of this Agreement by any party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach or failure of the same term or condition, or a waiver of any other term or condition of this Agreement. The failure of any party hereto to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege under this Agreement.

Section 11.8 Binding Effect; Assignment

. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party to this Agreement may assign or delegate all or any portion of its rights, obligations or liabilities under this Agreement without the prior written consent of the other parties to this Agreement (which consent shall not be unreasonably withheld, conditioned, delayed, or denied); provided, however, that Parent may collaterally assign any or all of its rights hereunder to any provider of debt financing (including the Financing) to it or any of its Affiliates.

Section 11.9 No Third Party Beneficiary

. Nothing in this Agreement shall confer any rights, remedies or claims upon any Person or entity not a party or a permitted assignee of a party to this Agreement, except for (a) the D&O Indemnified Parties as set forth in Section 6.7 , (b) Clark Hill PLC as set forth in Section 6.8, or (c) the Indemnified Parties as set forth in Article 9.

Section 11.10 Counterparts

. This Agreement may be signed in any number of counterparts with the same effect as if the signatures to each counterpart were upon a single instrument, and all such counterparts together shall be deemed an original of this Agreement. Facsimile signatures or signatures received as a pdf attachment to electronic mail shall be treated as original signatures for all purposes of this Agreement.

Section 11.11 Governing Law

. This Agreement and the Transaction Documents and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this Agreement and/or the Transaction Documents or the negotiation, execution or performance of this Agreement and/or the Transaction Documents (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement and/or the Transaction Documents), shall be governed by and construed in accordance with the internal Laws of the State of Delaware, without giving effect to the conflict of laws principles thereof that might require the application of the Laws of another jurisdiction.

Section 11.12 Exclusive Jurisdiction; Consent to Service of Process

. All claims, actions and proceedings (whether in contract or tort) based upon, arising out of or relating to this Agreement and/or the Transaction Documents or the negotiation, execution or performance of this Agreement and/or the Transaction Documents (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement and/or the Transaction Documents) shall be heard and determined exclusively in the Court of Chancery of Delaware in the State of Delaware, and the parties hereto hereby irrevocably submit to the exclusive jurisdiction of such court (and, in the case of appeals,

appropriate appellate courts therefrom) in any such action or proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such action or proceeding. The consents to jurisdiction set forth in this Section 11.12 shall not constitute general consents to service of process in the State of Delaware and shall have no effect for any purpose except as provided in this Section 11.12 and shall not be deemed to confer rights on any Person other than the parties hereto. The parties hereto agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by applicable Law.

Section 11.13 WAIVER OF JURY TRIAL

. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, WHETHER ARISING IN CONTRACT OR IN TORT OR OTHERWISE. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.13.

Section 11.14 Specific Performance

.

(a) The parties agree that irreparable damage would occur in the event that the parties hereto do not perform the provisions of this Agreement in accordance with its terms or otherwise breach such provisions. Accordingly, the parties acknowledge and agree that the parties shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches or threatened breaches of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which they are entitled at law or in equity.

(b) Each of the parties agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief as provided herein on the basis that (i) it has an adequate remedy at law or (ii) an award of specific performance is not an appropriate remedy for any reason at law or equity. Any party seeking an injunction or injunctions to prevent breaches or threatened breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement shall not be required to provide any bond or other security in connection with any such Order.

(c) To the extent any party hereto brings any Action to enforce specifically the performance of the terms and provisions of this Agreement when expressly available to such party pursuant to the terms of this Agreement, the Termination Date shall automatically be extended by (i) the amount of time during which such Action is pending, plus twenty (20) Business Days, or (ii) such other time period established by the court presiding over such Action.

(d) In no event shall the exercise of the Company's right to seek specific performance pursuant to this Section 11.14 reduce, restrict or otherwise limit the Company's or Parent's right to terminate this Agreement pursuant to Section 10.1 or the Company's or Parent's right to pursue (subject to Section 10.2) all applicable remedies at law, including seeking money damages. Each of the parties hereto hereby waives, in any action for specific performance, (i) the defense that a remedy at law would be adequate and (ii) any requirement under any Law to post a bond or other security as a prerequisite to obtaining equitable relief.

Section 11.15 Severability

. If any term, provision, agreement, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, agreements, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party hereto. Upon such a determination, the parties 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 reasonably acceptable manner so that the transactions contemplated hereby may be consummated as originally contemplated to the fullest extent possible.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

LIVE VENTURES INCORPORATED

By: /s/ Jon Isaac
Name: Jon Isaac
Title: President and Chief Executive Officer

PRESIDENT MERGER SUB INC.

By: /s/ Jon Isaac
Name:Jon Isaac
Title:President

PRECISION INDUSTRIES, INC.

By: /s/ D. Jackson Milhollan
Name: D. Jackson Milhollan
Title: Chief Executive Officer

/s/ D. Jackson Milhollan
D. Jackson Milhollan, an individual, solely in his capacity as Shareholders' Representative

CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT (this "Agreement"), dated effective as of July 14, 2020 (the "Effective Date"), is made by and between Live Ventures Incorporated, a Nevada corporation ("Parent"), and Precision Affiliated Holdings LLC, a Delaware limited liability company ("Holdings"). Capitalized terms used in this Agreement and not otherwise defined herein shall have the respective meanings given to such terms in the Merger Agreement (as defined below).

WHEREAS, Holdings is a wholly owned subsidiary of Parent formed for the purpose of holding all of the issued and outstanding shares of capital stock of Precision Industries, Inc., a Pennsylvania corporation ("Precision");

WHEREAS, as a result of the consummation of the Merger on the Effective Date pursuant to the Agreement and Plan of Merger, dated as of the Effective Date (the "Merger Agreement"), among Parent, President Merger Sub Inc., Precision and the Shareholders' Representative named therein, Parent is the sole shareholder of Precision and, as such, is the beneficial owner and holder of record of 500 shares of Common Stock, no par value, of Precision (the "Shares"), which constitute all of the issued and outstanding shares of capital stock of Precision upon consummation of the Merger; and

WHEREAS, Parent desires to contribute, convey, transfer and deliver to Holdings all of the Shares, and Holdings desires to accept such contribution, conveyance, transfer and delivery, in each case effective as of immediately following the consummation of the Merger on the Effective Date.

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

1. **Contribution and Acceptance**. Parent hereby contributes, conveys, transfers and delivers to Holdings all of the Shares (the "Contribution"). Holdings hereby accepts the Contribution. The parties hereto acknowledge that the Shares are uncertificated.

2. **Effectiveness**. The parties hereto acknowledge and agree that the Contribution shall be deemed to occur on the Effective Date immediately following the consummation of the Merger.

3. **Subsidiary Status**. Parent and Holdings hereby acknowledge that Parent owns all of the issued and outstanding equity interests in Holdings both before and after giving effect to the Contribution, and as such, no additional equity interests in Holdings shall be issued to Parent in respect of the Contribution.

4. **Counterparts**. This Agreement may be executed in counterparts, each of which shall be deemed an original but together shall constitute but one and the same agreement. Any signature delivered by electronic means (facsimile or email/pdf, etc.) shall be binding to the same extent as an original signature page with regard to this Agreement or any amendment hereof.

5. **Entire Agreement**. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior written and oral and all contemporaneous oral agreements and understandings with respect to the subject matter hereof.

IN WITNESS WHEREOF, each of the parties has caused this Contribution Agreement to be executed on its behalf by its officer or manager thereunto duly authorized as of the day and year first above written.

LIVE VENTURES INCORPORATED

By: /s/ Jon Isaac
Jon Isaac, President and Chief Executive Officer

PRECISION AFFILIATED HOLDINGS LLC

By: /s/ Jon Isaac
Jon Isaac, Manager

LOAN AND SECURITY AGREEMENT

Dated as of July 14, 2020

by and among

Precision Industries, Inc.,

PRESIDENT MERGER SUB Inc.,

any other Borrower party hereto from time to time,

as Borrowers,

PRECISION AFFILIATED HOLDINGS LLC,

any other Loan Party Obligor party hereto from time to time,

as Loan Party Obligors,

the Lenders from time to time party hereto,

and

ENCINA BUSINESS CREDIT, LLC,
as Agent

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Loan and Security Agreement

This Loan and Security Agreement (as it may be amended, restated or otherwise modified from time to time, this ***"Agreement"***) is entered into on July 14, 2020, by and among **Precision Industries, Inc.**, a Pennsylvania corporation, **President Merger Sub Inc.**, a Pennsylvania corporation (each a " ***Borrower***" and together with any other Borrower party hereto from time to time ,collectively the " ***Borrowers***"), **Precision Affiliated Holdings LLC**, a Delaware limited liability company ("***Loan Party Obligor***" and together with any other Loan Party Obligor party hereto from time to time, collectively the "***Loan Party Obligors***"), the Lenders party hereto from time to time and ENCINA BUSINESS CREDIT, LLC, as agent for the Lenders (in such capacity, ***"Agent"***). The Schedules, Annexes and Exhibits to this Agreement, as well as the Perfection Certificate attached to this Agreement, are an integral part of this Agreement and are incorporated herein by reference.

1. **DEFINITIONS.**

1.1. Certain Defined Terms.

Unless otherwise defined herein, the following terms are used herein as defined in the UCC: Accounts, Account Debtor, As-Extracted Collateral, Certificated Security, Chattel Paper, Commercial Tort Claims, Debtor, Deposit Accounts, Documents, Electronic Chattel Paper, Equipment, Farm Products, Financing Statement, Fixtures, General Intangibles, Goods, Health-Care-Insurance Receivables, Instruments, Inventory, Letter-of-Credit Rights, Money, Payment Intangible, Proceeds, Secured Party, Securities Accounts, Security Agreement, Supporting Obligations and Tangible Chattel Paper.

As used in this Agreement, the following terms have the following meanings:

"ABLSoft" means the electronic and/or internet-based system approved by Agent for the purpose of making notices, requests, deliveries, communications and for the other purposes contemplated in this Agreement or otherwise approved by Agent, whether such system is owned, operated or hosted by Agent, any of its Affiliates or any other Person.

"***Accounts Advance Rate"*** means the percentage set forth in Section 1(b)(i) of Annex I.

"Adjusted Borrowing Base" means the Borrowing Base, without giving effect to clause (c) of the definition of "Borrowing Base".

"Advance Rates" means, collectively, the Accounts Advance Rate and the Inventory Advance Rate.

"Affiliate" means, with respect to any Person, any other Person in control of, controlled by, or under common control with the first Person, and any other Person who has a substantial interest, direct or indirect, in the first Person or any of its Affiliates, including, any officer or director of the first Person or any of its Affiliates (and if that Person is an individual, any member of the immediate family (including parents, siblings, spouse, children, stepchildren, nephews, nieces and grandchildren) of such individual and any trust whose principal beneficiary is such individual or one or more members of such immediate family and any Person who is controlled by any such member or trust); ***provided***, that neither Agent, any Lender nor any of their respective Affiliates shall be deemed an ***"Affiliate"*** of Borrower for any purposes of this Agreement. For the purpose of this definition, a ***"substantial interest"*** shall mean the direct or indirect legal or beneficial ownership of more than ten (10%) percent of any class of equity or similar interest.

"Agent" has the meaning set forth in the preamble to this Agreement, and includes any successor agent appointed in accordance with Section 14.6.

"***Agent-Related Persons***" means Agent, together with its Affiliates, officers, directors, employees, members, managers, attorneys, and agents.

"***Agent Professionals***" means attorneys, accountants, appraisers, auditors, business valuation experts, liquidation agents, collection agencies, auctioneers, environmental engineers or consultants, turnaround consultants, and other professionals and experts retained by Agent.

"Agreement" and ***"this Agreement"*** has the meaning set forth in the preamble to this Agreement.

"*Applicable Margin*" has the meaning set forth in Annex III .

*"**Applicable Percentage***" has the meaning set forth in Section 3.2(e)(i).

"Approved Electronic Communication" means each notice, demand, communication, information, document and other material transmitted, posted or otherwise made or communicated by e-mail, facsimile, ABLSoft or any other equivalent electronic service, whether owned, operated or hosted by Agent, any of its Affiliates or any other Person, that any party is obligated to, or otherwise chooses to, provide to Agent pursuant to this Agreement or any other Loan Document, including any financial statement, financial and other report, notice, request, certificate and other information or material; ***provided***, that Approved Electronic Communications shall not include any notice, demand, communication, information, document or other material that Agent specifically instructs a Person to deliver in physical form.

"Approved Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of business, in each case that is administered, managed, advised or underwritten by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Assignee" has the meaning set forth in Section 15.9(a).

"Assignment and Assumption" means an assignment and assumption agreement substantially in the form of Exhibit G.

"***Assignment of Claims Act***", means the Assignment of Claims Act of 1940, as amended, currently codified at 31 U.S.C. 3727 and 41 U.S.C. 6305, and includes the prior historically referenced Federal Anti-Claims Act (31 U.S.C. 3727) and the Federal Anti-Assignment Act (41 U.S.C. 6305).

"Bankruptcy Code" means the United States Bankruptcy Code (11 U.S.C. § 101 et seq.).

"Base Rate" means, for any day, the greatest of (a) the Federal Funds Rate plus ½%, (b) the LIBOR Rate (which rate shall be calculated based upon a one (1) month period and shall be determined on a daily basis), (c) one percent (1.0%), and (d) the rate of interest announced, from time to time, within Wells Fargo Bank, N.A. at its principal office in San Francisco as its "prime rate", with the understanding that the "prime rate" is one of Wells Fargo Bank, N.A.'s base rates (not necessarily the lowest of such rates) and serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto and is evidenced by the recording thereof after its announcement in such internal publications as Wells Fargo Bank, N.A. may designate (or, if such rate ceases to be so published, as quoted from such other generally available and recognizable source as Agent may select).

"Base Rate Loan" means any Loan which bears interest at or by reference to the Base Rate.

"Blocked Account" has the meaning set forth in Section 6.1.

"Borrower" and ***"Borrowers"*** has the meaning set forth in the preamble to this Agreement.

"Borrower Representative" means Precision Industries, Inc., in such capacity pursuant to the provisions of Section 2.9, or any permitted successor Borrower Representative selected by Borrowers and approved by Agent.

"Borrowing Base" means, as of any date of determination, the Dollar Equivalent Amount as of such date of determination of the sum of the following:

(a) the aggregate amount of Eligible Accounts multiplied by the Accounts Advance Rate, plus

(b) NOLV of Eligible Inventory multiplied by the applicable Inventory Advance Rate, but in no event to exceed the Inventory Sublimit, minus

(c) all Reserves which Agent has established pursuant to Section 2.1(b) (including those to be established in connection with any requested Revolving Loan).

"***Borrowing Base Certificate***" means a certificate in the form provided by Agent to Borrower Representative for use in reporting the Borrowing Base.

"Business Day" means a day other than a Saturday or Sunday or any other day on which Agent or banks in New York are authorized to close and, in the case of a Business Day which relates to a LIBOR Loan, any day on which dealings are carried on in the London Interbank Eurodollar market.

"Capital Expenditures" means all expenditures which, in accordance with GAAP, would be required to be capitalized and shown on the consolidated balance sheet of Borrowers, but excluding expenditures made in connection with the acquisition, replacement, substitution or restoration of assets to the extent financed (a) from insurance proceeds (or other similar recoveries) paid on account of the loss of or damage to the assets being replaced or restored, (b) with cash awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced or (c) with cash proceeds of a direct or indirect equity contribution to Holdings or an acquisition of equity interests of in Holdings.

"Capitalized Lease" means any lease which is or should be capitalized on the balance sheet of the lessee thereunder in accordance with GAAP.

"Closing Date" means July 14, 2020.

"Closing Date Merger" means the transactions contemplated by the Closing Date Merger Agreement.

"Closing Date Merger Agreement" means the Agreement and Plan of Merger, dated as of July 14, 2020, among Parent, President Merger Sub Inc., Precision Industries, Inc., and D. Jackson Milhollan.

"Closing Date Merger Documents" means the Closing Date Merger Agreement and any other agreements, documents or instruments delivered in connection therewith, each existing as of the Closing Date.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" means all property and interests in property in or upon which a security interest, mortgage, pledge or other Lien is granted pursuant to this Agreement or the other Loan Documents, including all of the property of each Loan Party Obligor described in Section 5.1.

"Collections" has the meaning set forth in Section 6.1.

"Commitment" and ***"Commitments"*** means, individually or collectively as required by the context, the Revolving Loan Commitment and the Term Loan Commitment.

"***Commitment Schedule***" means the Commitment Schedule attached hereto as Annex III.

"Compliance Certificate" means a compliance certificate substantially in the form of Exhibit F hereto to be signed by the Chief Financial Officer or President of Borrower Representative.

"Confidential Information" means confidential information that any Loan Party furnishes to the Agent pursuant to any Loan Document concerning any Loan Party's business, but does not include any such information once such information has become, or if such information is, generally available to the public or available to the Agent (or other applicable Person) from a source other than the Loan Parties which is not, to the Agent's knowledge, bound by any confidentiality agreement in respect thereof.

"***Credit Bid***" has the meaning set forth in Section 14.9.

"Default" means any event or circumstance which with notice or passage of time, or both, would constitute an Event of Default.

"Default Rate" has the meaning set forth in Section 3.1.

"Defaulting Lender" means any Lender that (a) has failed, within one Business Day of the date required to be funded or paid, to (i) fund any portion of its Loans or (ii) pay over to Agent or any other Lender any other amount required to be paid by it hereunder, (b) has notified Borrower Representative or Agent in writing, or it or its parent has made a public statement, to the effect that it does not intend or expect to comply with any of its funding obligations under this Agreement or generally under other agreements in which it or its parent commits to extend credit, (c) has failed, within two Business Days after request by Agent, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon Agent's receipt of such certification in form and substance satisfactory to Agent, (d) had an involuntary proceeding commenced or an involuntary petition filed seeking (i) liquidation, reorganization or other relief in respect of such Lender or its parent or its or its parent's debts, or of a substantial part of its or its parent's assets, under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for such Lender or its parent or for a substantial part of its or its parent's assets, or (e) shall have or whose parent shall have (i) voluntarily commenced any proceeding or filed any petition seeking liquidation, reorganization or other relief under any federal, state or

foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consented to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (d) of this definition, (iii) applied for or consented to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for it or a substantial part of its assets, (iv) filed an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) made a general assignment for the benefit of creditors or (vi) taken any action for the purpose of effecting any of the foregoing.

"Dilution" means, as of any date of determination, a percentage, based upon the experience of the immediately prior twelve (12) months, that is the result of dividing the Dollar Equivalent Amount of (a) bad debt write-downs, discounts, advertising allowances, credits, or other dilutive items with respect to a Borrower's Accounts during such period by (b) such Borrower's billings with respect to Accounts during such period.

"Dilution Reserve" has the meaning set forth in Section 1(b)(i) of Annex I.

"***Division***" in reference to any Person which is an entity, means the division of such Person into two (2) or more separate Persons, with the dividing Person either continuing or terminating its existence as part of such division, including as contemplated under Section 18-217 of the Delaware Limited Liability Act for limited liability companies formed under Delaware law, or any analogous action taken pursuant to any other applicable law with respect to any corporation, limited liability company, partnership or other entity. The word "***Divide***" when capitalized, shall have a correlative meaning.

"Dollar Equivalent Amount" means, at any time, (a) as to any amount denominated in Dollars, the amount hereof at such time, and (b) as to any amount denominated in a currency other than Dollars, the equivalent amount in Dollars as determined by Agent at such time that such amount could be converted into Dollars by Agent according to prevailing exchange rates selected by Agent.

"Dollars" or ***"$"*** means United States Dollars.

"E-Signature" means the process of attaching to or logically associating with an Approved Electronic Communication an electronic symbol, encryption, digital signature or process (including the name or an abbreviation of the name of the party transmitting the Approved Electronic Communication) with the intent to sign, authenticate or accept such Approved Electronic Communication.

"Early Termination Fee" has the meaning set forth in Section 3.2(e).

"EBITDA" means, for the applicable period, for the Loan Parties on a consolidated basis, the sum of (a) Net Income, plus (b) Interest Expense deducted in the calculation of such Net Income, plus (c) taxes on income, whether paid, payable or accrued, deducted in the calculation of such Net Income, plus (d) depreciation expense deducted in the calculation of such Net Income, plus (e) amortization expense deducted in the calculation of such Net Income, plus (f) any other non-cash charges, losses or expenses that have been deducted in the calculation of such Net Income, plus (g) the amount of the PPP Loan that is forgiven, plus (h) to the extent deducted in the calculation of Net Income, non-recurring or unusual losses, charges or expenses deducted in the calculation of such Net Income and any other such losses, charges or expenses which have been approved in writing by Agent in its sole discretion for the purpose of an add back to EBITDA, plus (i) costs and expenses deducted in the calculation of Net Income incurred on or before the Closing Date in connection with the transactions contemplated by this Agreement and the Closing Date Merger Agreement not to exceed $1,000,000, plus (j) costs and expenses incurred within one (1) year after the Closing Date in connection with this Agreement not to exceed $150,000 per Fiscal Year deducted in the calculation of Net Income, plus (k) fees and expenses payable under the Management Agreement, minus (l) any other non-cash gains that have been added in the calculation of such Net Income.

Notwithstanding anything to the contrary contained herein, (x) for the period commencing immediately after the end of the fiscal month ending in May 2020 and ending on the Closing Date, EBITDA shall be EBITDA for the Loan Parties on a consolidated basis for such period, as adjusted in a manner consistent with the adjustments to EBITDA reflected in EBITDA for the fiscal months set forth below, and (y) for the period commencing at the beginning of the fiscal month ending in July 2019 and ending at the end of the fiscal month ending in May 2020, EBITDA for each of the fiscal months set forth below shall be deemed to be the amount set forth below opposite such fiscal month:

Month Ending	**EBITDA**
July 2019	$400,642
August 2019	$436,352
September 2019	$356,606
October 2019	$473,139
November 2019	$278,991
December 2019	$145,898
January 2020	$326,917
February 2020	$448,255
March 2020	$270,734
April 2020	$5,811
May 2020	$434,145

"Eligible Account" means, at any time of determination and subject to the criteria below, an Account of a Borrower, which was generated and billed by a Borrower in the Ordinary Course of Business, and which Agent, in its Permitted Discretion, deems to be an Eligible Account. The net amount of an Eligible Account at any time shall be the face amount of such Eligible Account as originally billed minus all customer deposits, unapplied cash collections and other Proceeds of such Account received from or on behalf of the Account Debtor thereunder as of such date and any and all returns, rebates, discounts (which may, at Agent's option, be calculated on shortest terms), credits, allowances or excise taxes of any nature at any time issued, owing, claimed by Account Debtors, granted, outstanding or payable in connection with such Account at such time. Without limiting the generality of the foregoing, the following Accounts shall not be Eligible Accounts:

(i) the Account Debtor or any of its Affiliates is a Loan Party or an Affiliate of any Loan Party;

(ii) it remains unpaid longer than the earlier to occur of (A) the number of days after the original invoice date set forth in Section 4(a) of Annex I or (B) the number of days after the original invoice due date set forth in Section 4(b) of Annex I;

(iii) the Account Debtor or its Affiliates are past any of the applicable dates referenced in clause (ii) above on other Accounts owing to a Borrower comprising more than twenty-five percent 25% of all of the Accounts owing to a Borrower by such Account Debtor or its Affiliates;

(iv) all Accounts owing by the Account Debtor or its Affiliates represent more than twenty percent (20%) of all other Accounts; ***provided***, that Accounts which are deemed to be ineligible solely by reason of this clause (iv) shall be considered Eligible Accounts to the extent of the amount thereof which does not exceed twenty percent (20%) of all other Accounts;

(v) a covenant, representation or warranty contained in this Agreement or any other Loan Document with respect to such Account (including any of the representations set forth in Section 7.4) has been breached;

(vi) the Account is subject to any contra relationship, counterclaim, dispute or set-off; *provided*, that Accounts which are deemed to be ineligible by reason of this clause (vi) shall be considered ineligible only to the extent of such applicable contra relationship, counterclaim, dispute or set-off;

(vii) the Account Debtor's chief executive office or principal place of business is located outside of the United States or Canada unless (A) the Account is supported by an irrevocable letter of credit reasonably satisfactory to Agent (as to form, substance, and issuer or domestic confirming bank) that has been delivered to Agent and, if requested by Agent, is directly drawable by Agent, or (B) the Account is covered by credit insurance in form, substance, and amount, and by an insurer, reasonably satisfactory to Agent;

(viii) it is payable in a currency other than Dollars;

(ix) it (a) is not absolutely owing to a Borrower or (b) arises from a sale on a bill-and-hold, guaranteed sale, sale-or-return, sale-on-approval, consignment, retainage or any other repurchase or return basis or (c) consist of progress billings or other advance billings that are due prior to the completion of performance by a Borrower of the subject contract for goods or services;

(x) the Account Debtor is the United States of America or any state or political subdivision (or any department, agency or instrumentality thereof), unless such Borrower has complied with the Assignment of Claims Act or other applicable similar state or local law in a manner reasonably satisfactory to Agent;

(xi) it is not at all times subject to Agent's duly perfected, first-priority security interest or is subject to any other Lien that is not a Permitted Lien, or the goods giving rise to such Account were, at the time of sale, subject to any Lien that is not a Permitted Lien;

(xii) it is evidenced by Chattel Paper or an Instrument of any kind (unless such Chattel Paper or Instrument is delivered to Agent in accordance with Section 5.2) or has been reduced to judgment;

(xiii) the Account Debtor's total indebtedness to Borrowers exceeds the amount of any credit limit established by Borrowers or Agent in its Permitted Discretion due to the Account Debtor’s financial condition or the Account Debtor is otherwise deemed not to be creditworthy by Agent in its Permitted Discretion; ***provided***, that Accounts which are deemed to be ineligible solely by reason of this clause (xiii) shall be considered Eligible Accounts to the extent the amount of such Accounts does not exceed the lower of such credit limits;

(xiv) there are facts or circumstances existing which could reasonably be expected to result in a material adverse change in the Account Debtor's financial condition or materially impair or delay the collectability of all or any portion of such Account;

(xv) Agent has not been furnished with all documents and other information pertaining to such Account which Agent has requested, or which any Borrower is obligated to deliver to Agent, pursuant to this Agreement;

(xvi) any Borrower has made an agreement with the Account Debtor to extend the time of payment thereof beyond the time periods set forth in clause (ii) above;

(xvii) any Borrower has posted a surety or other bond in respect of the contract or transaction under which such Account arose;

(xviii) the Account Debtor is subject to any proceeding seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar applicable law;

(xix) the sale giving rise to such Account is on cash in advance or cash on delivery terms;

(xx) the goods giving rise to such Account have been sold by a Borrower to the Account Debtor outside such Borrower's Ordinary Course of Business or the services giving rise to such Account have been performed by Borrower outside such Borrower's Ordinary Course of Business; or

(xxi) Accounts with respect to which (i) the goods giving rise to such Account have not been shipped and billed to the Account Debtor, or (ii) the services giving rise to such Account have not been performed and billed to the Account Debtor.

"Eligible Inventory" means, at any time of determination and subject to the criteria below, Inventory owned by a Borrower consisting of raw materials, work-in-progress or finished goods, and in the case of finished goods, merchantable and readily saleable in the Borrower's Ordinary Course of Business which Agent, in its Permitted Discretion, deems to be Eligible Inventory. Without limiting the generality of the foregoing, the following Inventory will not be Eligible Inventory:

(i) [reserved];

(ii) it is not in good, new and, in the case of finished goods, saleable condition;

(iii) it is slow-moving, obsolete, damaged, contaminated, unmerchantable, returned, rejected, discontinued or repossessed;

(iv) it is in the possession of a processor, consignee or bailee, or located on premises leased or subleased to a Borrower, or on premises subject to a mortgage in favor of a Person other than Agent, unless such processor, consignee, bailee or mortgagee or the lessor or sublessor of such premises, as the case may be, has executed and delivered all documentation which Agent shall require in its Permitted Discretion to evidence the subordination or other limitation or extinguishment of such Person's rights with respect to such Inventory and Agent's right to gain access thereto; ***provided***, that, at the election of Agent in its sole discretion, this clause (iv) may be waived with respect to Inventory located on a premises for which Agent has established a rent or other similar Reserve satisfactory to Agent in its sole discretion; and ***provided***, further, that ,this clause (iv) shall not limit Eligible Inventory until the date that is thirty (30) days after the Closing Date;

(v) it consists of consigned items, manufacturing supplies or packaging;

(vi) it fails to meet all standards imposed by any Governmental Authority;

(vii) it does not conform in all respects to any covenants, warranties and representations set forth in this Agreement and each other Loan Document;

(viii) it is not at all times subject to Agent's duly perfected, first priority security interest and no other Lien except a Permitted Lien;

(ix) it is purchased or manufactured pursuant to a license agreement that is not assignable to each of Agent and its transferees;

(x) it is situated at a Collateral location not listed in Section 1(c) or Section 1(d) of the Perfection Certificate or other location of which Agent has been notified as required by Section 7.8 (or it is in-transit other than in transit between a Borrower's facilities); and

(xi) it is located outside of the continental United States or Canada.

"Encina" means Encina Business Credit, LLC, a Delaware limited liability company.

"***Enforcement Action***" means any action to enforce any Obligations or Loan Documents or to exercise any rights or remedies relating to any Collateral, whether by judicial action, selfhelp, notification of Account Debtors, setoff or recoupment, credit bid, deed in lieu of foreclosure, action in any proceeding seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar applicable law or otherwise.

"ERISA" means the Employee Retirement Income Security Act of 1974 and all rules, regulations and orders promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with a Loan Party within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code and Section 302 of ERISA).

"ERISA Event" means: (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of any Loan Party or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a ***"substantial employer"*** as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by a Loan Party or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon a Loan Party or any ERISA Affiliate.

"Event of Default" has the meaning set forth in Section 11.1.

"Excess Availability" means the amount, as determined by Agent in its Permitted Discretion, calculated at any date, equal to the (a) the lesser of (i) the Maximum Revolving Facility Amount minus Reserves, and (ii) the Borrowing Base, minus (b) the sum of (i) the outstanding balance of all Revolving Loans plus (ii) fees and expenses which are due and payable by any Borrower under this Agreement but which have not been paid or charged to the Loan Account; ***provided***, that if any of the Loan Limits for Revolving Loans is exceeded as of the date of calculation, then Excess Availability shall be zero.

"***Excluded Assets***" means (a) leased fixed assets or fixed assets subject to a purchase money security interest in which the lessor or purchase money lender of such fixed assets holds a first priority security interest (but only to the extent that and only for so long as such lease or purchase money Indebtedness restricts the granting of a Lien therein to the Agent), (b) any lease, license, contract, property right or agreement (or any Loan Party's rights or interests thereunder) if and to the extent that the grant of the security interest shall constitute or result in (i) the abandonment, invalidation or unenforceability of any right, title or interest of any Loan Party therein, or any legally effective option to purchase or similar right of a third party (other than another Loan Party) thereunder, under any lease, license, contract, or agreement giving rise thereto, or (ii) a breach or termination pursuant to the terms of, or a default under, or a violation of any legally enforceable provision requiring consent (which has not been obtained) of another party (other than a Loan Party) to any such lease, license, contract, property right or agreement, (c) any intent-to-use trademark applications for which no statement of use has been filed and (d) more than 65% of the voting equity of any Foreign Subsidiary.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of Agent or any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof); (b) in the case of a Non-U.S. Recipient (as defined in Section 13(e)), U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Non-U.S. Recipient with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which Non-U.S. Recipient becomes a party to this Agreement or acquires a participation, except in each case to the extent that, pursuant to Section 13 amounts with respect to such Taxes were payable to such Non-U.S. Recipient assignor (or Lender granting such participation) immediately before such assignment or grant of participation; (c) United States federal withholding Taxes that would not have been imposed but for such Recipient's failure to comply with Section 13(e) (except where the failure to comply with Section 13(e) was the result of a change in law, ruling, regulation, treaty, directive, or interpretation thereof by a Governmental Authority after the date the Recipient became a party to this Agreement or a Participant) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

"Extraordinary Receipts" means except as otherwise agreed to be excluded from this definition by the Agent in its Permitted Discretion, any cash or cash equivalents received by or paid to or for the account of any Loan Party not in the ordinary course of business, including amounts received in respect of foreign, United States, state or local tax refunds, purchase price adjustments, indemnification payments (other than proceeds used to pay related third-party claims and expenses) and pension plan reversions**.**

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof.

"FIRREA" means the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended.

"Fiscal Year" means the fiscal year of Borrowers which ends on September 30th of each year.

"Fixed Charge Coverage Ratio" means the ratio of (a) EBITDA for the twelve-month period ending on the date set forth below, minus unfinanced Capital Expenditures of the Loan Parties on a consolidated basis for such period, to (b) Fixed Charges for such period.

"Fixed Charges" means, for the period in question, on a consolidated basis, the sum of (a) all principal payments scheduled or required to be made during or with respect to such period in respect of Indebtedness of the Loan Parties (including, without limitation, the PPP Loan), plus (b) all Interest Expense of the Loan Parties for such period paid or required to be paid in cash attributable to such period (including, without limitation, the PPP Loan), plus (c) all taxes of the Loan Parties paid or required to be paid for such period, plus (d) all cash distributions (including Permitted Tax Distributions, if applicable), dividends, redemptions and other cash payments made or required to be made during such period with respect to equity securities or subordinated debt issued by any Loan Party and plus (e) fees and expenses actually paid pursuant to the Management Agreement.

"Foreign Subsidiary" means a Subsidiary that is a "controlled foreign corporation" under Section 957 of the Code, such that a guaranty by such Subsidiary of the Obligations or a Lien on the assets of such Subsidiary or a pledge of more than 65% of the voting equity of such Subsidiary, in each case to secure the Obligations, would result in material tax liability to Borrowers.]

"FRB" means the Board of Governors of the Federal Reserve System or any successor thereto.

"Funding Account" has the meaning set forth in Section 2.3(b).

"GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the United States accounting profession) which are applicable to the circumstances as of the date of determination, in each case consistently applied.

"Governing Documents" means, with respect to any Person, the certificate of incorporation, articles of incorporation, certificate of formation, certificate of limited partnership, by-laws, operating agreement, limited liability company agreement, limited partnership agreement or other similar governance document of such Person.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guaranty" *or* ***"Guaranteed"****,* as applied to any Indebtedness, liability or other obligation, means (a) a guaranty, directly or indirectly, in any manner, including by way of endorsement (other than endorsements of negotiable instruments for collection in the Ordinary Course of Business), of any part or all of such Indebtedness, liability or obligation and (b) an agreement, contingent or otherwise, and whether or not constituting a guaranty, assuring, or intended to assure, the payment or performance (or payment of damages in the event of non-performance) of any part or all of such Indebtedness, liability or obligation by any means (including the purchase of securities or obligations, the purchase or sale of property or services or the supplying of funds).

"***Guarantor Payment***" has the meaning set forth in Section 2.12(f)(i).

"***Holdings***" means Precision Affiliated Holdings LLC, a Delaware limited liability company.

"Indebtedness" means (without duplication), with respect to any Person, (a) all obligations or liabilities of such Person, contingent or otherwise, for borrowed money, (b) all obligations of such Person represented by promissory notes, bonds, debentures or the like, or on which interest charges are customarily paid, (c) all liabilities secured by any Lien on such Person's property owned or acquired, whether or not such liability shall have been assumed by such Person, (d) all obligations of such Person under conditional sale or other title-retention agreements relating to property or assets purchased by such Person, (e) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding trade payables which are less than one hundred twenty (120) days past the invoice date incurred in the Ordinary Course of Business, but including the maximum potential amount payable under any earn-out or similar obligations), (f) all Capitalized Leases of such Person, (g) all obligations (contingent or otherwise) of such Person as an account party or applicant in respect of letters of credit and bankers' acceptances or in respect of financial or other hedging obligations, (h) all equity interests issued by such Person subject to repurchase or redemption at any time on or prior to the Scheduled Maturity Date (valued at, in the case of redeemable preferred equity interests, the greater of the voluntary liquidation preference and the involuntary liquidation preference of such equity interests plus accrued and unpaid dividends), other than voluntary repurchases or redemptions that are at the sole option of such Person, (i) all principal outstanding under any synthetic lease, off-balance sheet loan or similar financing product of such Person and (j) all Guaranties, endorsements (other than for collection in the Ordinary Course of Business) and other contingent obligations of such Person in respect of the obligations of others.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"Intellectual Property" means 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 copyrights, copyright licenses, patents, patent licenses, trademarks and 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" means, for the applicable period, for the Loan Parties on a consolidated basis, total interest expense (including interest attributable to Capitalized Leases in accordance with GAAP) and fees with respect to outstanding Indebtedness.

"Inventory Advance Rate" means the percentage(s) set forth in Section 1(b)(ii) of Annex I.

"Inventory Sublimit" means the amount(s) set forth in Section 1(c) of Annex I.

"Investment Property" means the collective reference to (a) all ***"investment property"*** as such term is defined in Section 9-102 of the UCC, (b) all ***"financial assets"*** as such term is defined in Section 8-102(a)(9) of the UCC and (c) whether or not constituting ***"investment property"*** as so defined, all Pledged Equity.

"Issuers" means the collective reference to each issuer of Investment Property.

"Lender" means each Person listed on the Commitment Schedule and any other Person that shall have become a Lender hereunder pursuant to an Assignment and Assumption, other than any such Person that ceases to be a Lender hereunder pursuant to an Assignment and Assumption. Unless the context expressly provides otherwise, "Lender" shall include the Swingline Lender.

"LIBOR Loan" means any Loan which bears interest at a rate determined by reference to the LIBOR Rate.

"LIBOR Rate" means, for any calendar month, the rate (expressed as a percentage per annum and rounded upward, if necessary, to the next nearest 1/100 of 1%) for deposits in Dollars, for a one-month period, that appears on Bloomberg Screen US0001M (or the successor thereto) as the London interbank offered rate for deposits in Dollars as of 11:00 a.m., London time, as of two Business Days prior to the first day of such calendar month (and, in no event shall the LIBOR Rate be less than 1.00%), which determination shall be made by Agent and shall be conclusive in the absence of manifest error. For the sake of clarity, the LIBOR Rate shall be adjusted monthly on the first day of each month.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, charge, deposit arrangement, encumbrance, easement, lien (statutory or other), security interest or other security arrangement and any other preference, priority, or preferential arrangement in the nature of a security interest of any kind or nature whatsoever, including any conditional sale contract or other title-retention agreement, the interest of a lessor under a Capitalized Lease and any synthetic or other financing lease having substantially the same economic effect as any of the foregoing.

"Loan Account" has the meaning set forth in Section 3.4.

"Loan Documents" means, collectively, this Agreement (including the Perfection Certificate(s) and all other attachments, annexes and exhibits hereto), and all notes, guaranties, security agreements, mortgages, Borrowing Base Certificates, Compliance Certificates, other certificates, pledge agreements, landlord's agreements, Lock Box and Blocked Account agreements, and all other agreements, documents and instruments now or hereafter executed or delivered by any Borrower, any Loan Party, or any Other Obligor in connection with, or to evidence the transactions contemplated by, this Agreement.

"Loan Guaranty" means the obligations of Obligors pursuant to Section 12.

"Loan Limits" means, collectively, the Loan Limits for Revolving Loans set forth in Section 1 of Annex I and all other limits on the amount of Loans set forth in this Agreement.

"Loan Party" means, individually, Holdings, each Borrower, or any Subsidiary; and ***"Loan Parties"*** means, collectively, Holdings, each Borrower and all Subsidiaries.

"Loan Party Obligor" means, individually, each Borrower, Holdings, any Obligor that is a Loan Party and each Person identified in the Preamble as a Loan Party Obligor; and ***"Loan Party Obligors"*** means, collectively, each Borrower, Holdings, each Obligor that is a Loan Party and each Person identified in the Preamble as a Loan Party Obligor.

"Loans" means, collectively, the Revolving Loans (including any Protective Advances and Overadvances), the Swingline Loans and any Term Loan.

"Lock Box" has the meaning set forth in Section 6.1.

"***Management Agreement***" means the Advisory Services Agreement dated as of the Closing Date, among Precision Industries, Inc., Holdings and Live Ventures Incorporated.

"***Management Fee Subordination Agreement***" means the Management Fee Subordination Agreement, dated as of the Closing Date, between Live Ventures Incorporated and the Agent.

"Material Adverse Effect" means any event, act, omission, condition or circumstance which, which individually or in the aggregate, has or could reasonably be expected to have a material adverse effect on (a) the business, operations, properties, assets or condition, financial or otherwise, of the Obligors, taken as a whole, (b) the ability of any Loan Party or any Other Obligor, as applicable, to perform any of its obligations under any of the Loan Documents, (c) the validity or enforceability of, or Agent's or any Lender's rights and remedies under, any of the Loan Documents, (d) the ability of Agent and Lenders realize upon Collateral in which Agent has previously perfected a Lien or (e) the existence, perfection or priority of any security interest granted in any Loan Document and covering Collateral in which Agent has previously perfected a Lien.

"Material Contract" means has the meaning set forth in Section 7.18.

"Maturity Date" means the earlier of (i) Scheduled Maturity Date, (ii) the Termination Date, or (iii) such earlier date as the Obligations may be accelerated in accordance with the terms of this Agreement (including pursuant to Section 11.2).

"Maximum Lawful Rate" has the meaning set forth in Section 3.5.

"Maximum Liability" has the meaning set forth in Section 12.9.

"Maximum Revolving Facility Amount" means the amount set forth in Section 1(a) of Annex I.

*"**Minimum Excess Availability Amount** "* means, as of any date of determination, the greater of (i) $1,500,000 and (ii) an amount equal to ten percent (10%) of the Adjusted Borrowing Base.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which a Loan Party or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Net Income" means, for the applicable period, for Borrowers individually or for the Loan Parties on a consolidated basis, as applicable, the net income (or loss) of Borrowers individually or of the Loan Parties on a consolidated basis, as applicable, for such period, excluding any gains or non-cash losses from dispositions, any extraordinary gains or extraordinary non-cash losses and any gains or non-cash losses from discontinued operations, in each case of Borrowers individually or of the Loan Parties on a consolidated basis, as applicable, for such period.

"NOLV" means the applicable Net Orderly Liquidation Value as determined by the most current third-party appraisal report, performed by an appraisal firm retained by the Agent for such appraisal project with respect to the Eligible Inventory, and in form and substance acceptable to Agent.

"Non-Consenting Lender" has the meaning set forth in Section 15.5(b).

"Non-Paying Guarantor" has the meaning set forth in Section 12.10.

"Non-U.S. Recipient" has the meaning set forth in Section 13(e)(ii).

"Notice of Borrowing" has the meaning set forth in Section 2.3.

"Obligations" means all present and future Loans, advances, debts, liabilities, fees, expenses, obligations, guaranties, covenants, duties and indebtedness at any time owing by any Borrower or any Loan Party Obligor to Agent and Lenders, whether evidenced by this Agreement, any other Loan Document or otherwise, whether arising from an extension of credit, guaranty, indemnification or otherwise, whether direct or indirect (including those acquired by assignment and any participation by any Lender in any Borrower's indebtedness owing to others), whether absolute or contingent, whether due or to become due and whether arising before or after the commencement of a proceeding under the Bankruptcy Code or any similar statute.

"Obligor" means any guarantor, endorser, acceptor, surety or other Person liable on, or with respect to, any of the Obligations or who is the owner of any property which is security for any of the Obligations, other than Borrower.

"Ordinary Course of Business" means, in respect of any transaction involving any Person, the ordinary course of business of such Person, as conducted by such Person as of the Closing Date and any practices that are utilized to improve past practices or to conform with customary operating procedures for a similar business, as reasonably determined by such Person.

"Other Obligor" means any Obligor other than any Loan Party Obligor.

"Other Taxes" means all present or future stamp, court or documentary, property, excise, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

"Overadvances" has the meaning set forth in Section 2.2(b).

"Parent" means Live Ventures Incorporated.

"Participant" has the meaning set forth in Section 15.10(b).

"Paying Guarantor" has the meaning set forth in Section 12.10.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Act" means the Pension Protection Act of 2006.

"Pension Funding Rules" means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and Multiemployer Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA, and any sections of the Code or ERISA related thereto that are enacted after the date of this Agreement.

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by a Loan Party and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"Perfection Certificate" means the Perfection Certificate attached to this Agreement as of the Closing Date, together with any updates thereto as contemplated by this Agreement or otherwise permitted by Agent from time to time.

"Permitted Discretion" means a determination made by Agent in good faith and in the exercise of reasonable (from the perspective of an asset-based secured lender) business judgment.

"Permitted Indebtedness" means: (a) the Obligations; (b) the Indebtedness existing on the date hereof described in Section 7 of the Perfection Certificate; in each case along with extensions, refinancings, modifications, amendments and restatements thereof; ***provided***, that (i) the principal amount thereof is not increased, (ii) if secured by a Permitted Lien, no additional collateral beyond that existing as of the Closing Date is granted to secure such Indebtedness; (iii) if such Indebtedness is subordinated to any or all of the Obligations, the applicable subordination terms shall not be modified without the prior written consent of Agent and (iv) the terms thereof are not modified to impose more burdensome terms upon any Loan Party; (c) Capitalized Leases and purchase-money Indebtedness secured by Permitted Liens in an aggregate amount not exceeding: (i) $2,500,000 for the Specified Capital Project at any time outstanding; and (ii) $250,000 for other fixed assets at any time outstanding; (d) Indebtedness incurred as a result of endorsing negotiable instruments received or in respect of netting services, overdraft protections and similar arrangements in the Ordinary Course of Business; (e) intercompany Indebtedness owing from a Loan Party Obligor (other than Holdings) to a Loan Party Obligor not to exceed $500,000 at any time outstanding that is evidenced by a promissory note the original executed copy of which is delivered to the Agent within ten (10) Business Days after execution thereof; (f) guarantees by any Loan Party of obligations of another Loan Party that are not prohibited by this Agreement; (g) Indebtedness incurred in the Ordinary Course of Business in respect of credit cards, credit card processing services, commercial cards or other cash management services in an aggregate amount not to exceed $150,000 at any time outstanding and provided that all outstanding amounts thereunder are paid in full on a monthly basis; (h) Indebtedness incurred in the Ordinary Course of Business under letters of credit not exceeding $250,000 at any time outstanding, workers' compensation claims, self-insurance obligations, performance, surety or appeal bonds or similar obligations; (i) Indebtedness owed to any Person providing property, casualty, liability or other insurance to any Loan Party, so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the year in which such Indebtedness is incurred and such Indebtedness is outstanding only during such year; (j) accrual of interest, accretion or amortization of original issue discount, or the payment of interest in kind, in each case, on Indebtedness that otherwise constitutes Permitted Indebtedness; (k) obligations (contingent or otherwise) existing or arising under Swap Contracts in an amount not to exceed $250,000 in the aggregate at any time outstanding; provided, that (i) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with fluctuations in interest rates or foreign exchange rates and (ii) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party; (l) Indebtedness that is expressly subordinate and junior in right of payment to the Obligations and is on terms satisfactory to the Agent; (m) customary indemnification obligations in favor of purchasers or sellers in connection with acquisitions or dispositions of assets permitted hereunder; (n) the PPP Loan; (o) to the extent constituting Indebtedness, Indebtedness under the Specified Sale-Leaseback Transaction; and (p) other unsecured Indebtedness not to exceed $100,000 in the aggregate at any time outstanding.

"Permitted Liens" means (a) leasehold or purchase-money security interests in specific fixed assets securing Permitted Indebtedness described under clause (c) of the definition of Permitted Indebtedness; (b) liens for taxes, fees, assessments, or other governmental charges or levies, or other statutory Liens (other than Liens imposed under ERISA) either not delinquent or being contested in good faith by appropriate proceedings (which proceedings have the effect of preventing the enforcement of such lien) for which adequate reserves in accordance with GAAP are being maintained provided the same have no priority over any of Agent's security interests; (c) liens of materialmen, mechanics, carriers, or other similar liens arising in the Ordinary Course of Business and securing obligations which are not delinquent or are being contested in good faith by appropriate proceedings (which proceedings have the effect of preventing the enforcement of such lien) for which adequate reserves in accordance with GAAP are being maintained; (d) liens which constitute banker's liens, rights of set-off, or similar rights as to deposit accounts or other funds maintained with a bank or other financial institution (but only to the extent such banker's liens, rights of set-off or other rights are in respect of customary service charges relative to such deposit accounts and other funds or Indebtedness permitted under clauses (g) or (k) of the definition of Permitted Indebtedness, and not in respect of any other loans or other extensions of credit by such bank or other financial institution to any Loan Party); (e) cash deposits or pledges to secure the payment of worker's compensation, unemployment insurance, or other social security benefits or obligations, public or statutory obligations, surety or appeal bonds, bid or performance bonds, or other obligations of a like nature incurred in the Ordinary Course of Business; (f) judgment Liens in respect of judgments that do not constitute an Event of Default; (g) easements, rights-of-way, zoning laws or ordinances, restrictions, covenants or other agreements of record, and other similar charges or encumbrances on real property, that do not secure any monetary obligation and do not interfere with the Ordinary Course of Business; (h) Liens arising under the Specified Sale-Leaseback Transaction, other than Liens on Collateral, securing amounts that are not delinquent or that are subject to a lien waiver or collateral access agreement in form and substance acceptable to the Agent; (i) any interest of title of a lessor or sublessor under any lease not prohibited hereby; (j) Liens arising from precautionary uniform commercial code financing statements filed under any lease or with respect to any consignment, processing or similar possessory arrangement permitted by this Agreement solely covering such leased, consigned or possessed items; (k) Liens granted in the Ordinary Course of Business on the unearned portion of insurance premiums to the extent the financing is permitted under clause (i) of the definition of Permitted Indebtedness; and (l)(i) Liens existing on the Closing Date described in Section 7 of the Perfection Certificate and (ii) Liens created or extended in connection with the extension, refinancing, modification, amendment or restatement of Indebtedness permitted by clause (b) of the definition of Permitted Indebtedness; provided that, no such Lien under this clause (l) shall be permitted on any machinery or equipment that was included in the Great American Group Machinery and Equipment Appraisal Report effective as of June 22, 2020 for Precision Industries, Inc. dba Precision Marshall Steel Company and delivered on or prior to the Closing Date to Agent .

"***Permitted Tax Distributions***" means, with respect to any Person, for any taxable period after the Closing Date during which time such Person is a pass-through entity for income tax purposes or during which time the taxable income of such person is allocable to direct or indirect equity holders of such Person as members of an affiliated group of entities filing consolidated income tax returns, any dividend or distribution to any holder of such Person's stock or other equity interests to permit such holders to pay federal income taxes and all relevant state and local income taxes at a rate equal to the highest marginal applicable tax rate for the applicable tax year, however denominated imposed solely as a result of taxable income allocated to such holder as a direct or indirect equity holders of such Person under federal, state, and local income tax laws, taking into account applicable deductions, losses, and credits of such Person (including, without limitation, deductions pursuant to Section 199A of the Code) and allocated to such holder in proportion and to the extent of such holder's stock or other equity interests of such Person.

"Person" means any individual, sole proprietorship, partnership, joint venture, limited liability company, trust, unincorporated organization, association, corporation, government or any agency or political division thereof, or any other entity.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan) maintained for employees of any Loan Party or any such plan to which any Loan Party (or with respect to any plan subject to Section 412 of the Code or Section 302 or Title IV of ERISA, any ERISA Affiliate) is required to contribute on behalf of any of its employees.

"Pledged Equity" means the equity interests listed on Sections 1(f) and 1(g) of the Perfection Certificate, together with any other equity interests, certificates, options, or rights or instruments of any nature whatsoever in respect of the equity interests of any Person that may be issued or granted to, or held by, any Loan Party Obligor while this Agreement is in effect, and including, to the extent attributable to, or otherwise related to, such pledged equity interests, all of such Loan Party Obligor's (a) interests in the profits and losses of each Issuer, (b) rights and interests to receive distributions of each Issuer's assets and properties and (c) rights and interests, if any, to participate in the management or each Issuer related to such pledged equity interests, but excluding, in all cases, more than 65% of the voting equity of any Foreign Subsidiary.

*"**PPP Loan**"* means the loan in the principal amount of $1,382,500 made to the Borrower Representative by Citizens Bank pursuant to the Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security Act.

"Prepayment Event" means: (a) any sale, transfer or other disposition (including pursuant to a sale and leaseback transaction other than the Specified Sale-Leaseback Transaction) of any property or asset of any Loan Party other than (i) assets with an aggregate fair value which do not exceed $250,000 in any Fiscal Year, (ii) sales of inventory in the ordinary course of business, and (iii) dispositions solely among Loan Parties; (b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of any of any Loan Party with an aggregate fair value immediately prior to such event equal to or greater than $250,000 in any Fiscal Year; (c) the issuance by any Loan Party to any Person (other than to another Loan Party) of any equity interests after the Closing Date, or the receipt by any Loan Party of any capital contribution from any Person, in each case, resulting in net proceeds to the Loan Parties exceeding $100,000 in any Fiscal Year (other than (x) from another Loan Party or (y) for the purpose of funding Capital Expenditures) after the Closing Date; (d) the incurrence by any Loan Party of any Indebtedness not permitted by this Agreement; and (e) the receipt by any Loan Party of any Extraordinary Receipts in excess of $250,000 in the aggregate in any Fiscal Year.

"Pro Rata Share" means (a) with respect to all matters relating to any Lender with respect to the Revolving Loans, the percentage obtained by dividing (i) the Revolving Loan Commitment of that Lender by (ii) the aggregate Revolving Loan Commitments of all Lenders (provided, after the Revolving Loan Commitments have expired or been terminated, the applicable outstanding balances of Revolving Loans held by such Lender and all the Lenders, respectively, shall be used in lieu of the Revolving Loan Commitment in both clauses (i) and (ii)), (b) with respect to all matters relating to any Lender with respect to the Term Loan, the percentage obtained by dividing (i) the Term Loan Commitment of that Lender by (ii) the aggregate Term Loan Commitments of all Lenders (provided, after the Closing Date, the applicable outstanding principal balances of the Term Loan held by such Lender and all Lenders, respectively, shall be used in lieu of the Term Loan Commitment in both clauses (i) and (ii)), and (c) with respect to any other matters set forth in this Agreement and the other Loan Documents, the percentage obtained by dividing (i) the Commitments of that Lender by (ii) the aggregate Commitments of all Lenders (provided, (A) after the Revolving Loan Commitments have expired or been terminated, the applicable outstanding balances of Revolving Loans held by such Lender and all the Lenders, respectively, shall be used in lieu of the

Revolving Loan Commitment in both clauses (i) and (ii) and (B) after the Closing Date, the applicable outstanding principal balances of the Term Loan held by such Lender and all Lenders, respectively, shall be used in lieu of the Term Loan Commitment in both clauses (i) and (ii)), in each case as any such percentages may be adjusted by assignments pursuant to an Assignment an Assumption.

"Protective Advances" has the meaning set forth in Section 2.2(a).

"Recipient" means any Agent, any Lender, any Participant, or any other recipient of any payment to be made by or on account of any Obligation of any Loan Party under this Agreement or any other Loan Document, as applicable.

"Register" has the meaning set forth in Section 15.9(c).

"Released Parties" has the meaning set forth in Section 10.1.

"***Relevant Percentage***" has the meaning set forth in Section 12.10.

"Replacement Lender" has the meaning set forth in Section 3(c).

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty-day notice period has been waived.

"Required Lenders" means at any time (a) Lenders (other than Defaulting Lenders) then holding at least 51% of the sum of their aggregate Revolving Loan Commitment then in effect plus the aggregate unpaid principal balance of the Term Loan then outstanding, or (b) if the Revolving Loan Commitments have been terminated, Lenders (other than Defaulting Lenders) then having at least 51% of their aggregate unpaid principal amount of Loans then outstanding; provided, that if there are two or more Lenders, then Required Lenders shall include at least two Lenders (Lenders that are Affiliates or Approved Funds of one another being considered as one Lender for purposes of this proviso).

"Reserves" has the meaning set forth in Section 2.1(b).

"Restricted Accounts" means Deposit Accounts (a) established and used (and at all times will be used) solely for the purpose of paying current payroll obligations of Loan Parties (and which do not (and will not at any time) contain any deposits other than those necessary to fund current payroll), in each case in the Ordinary Course of Business, (b) maintained (and at all times will be maintained) solely in connection with an employee benefit plan, but solely to the extent that all funds on deposit therein are solely held for the benefit of, and owned by, employees (and will continue to be so held and owned) pursuant to such plan, (c) that are zero balance accounts so long as such zero balance accounts are subject to control agreements and other documentation as Agent shall require from time to time in connection with the foregoing, all in form and substance acceptable to Agent, (d) that hold funds on behalf of a Loan Party in trust or as an escrow or fiduciary for a Person other than a Loan Party and that are otherwise permitted under this Agreement (b) in which the average daily balance does not exceed $25,000 at any time.

"Revolving Loan Commitment" means (a) as to any Lender, the aggregate commitment of such Lender to make Revolving Loans as set forth in the Commitment Schedule or in the most recent Assignment and Assumption to which it is a party (as adjusted to reflect any assignments as permitted hereunder) and (b) as to all Lenders, the aggregate commitment of all Lenders to make Revolving Loans, which aggregate commitment shall be in an amount equal to the Maximum Revolving Facility Amount.

"Revolving Loans" has the meaning set forth in Section 2.1(a).

"Scheduled Maturity Date" means the date set forth in Section 6 of Annex I.

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

"Settlement" has the meaning set forth in Section 2.4(c).

"Settlement Date" has the meaning set forth in Section 2.4(c).

"***Specified Capital Project***" means acquisition, construction, installation, start-up and commissioning of a scalper milling machine and the replacement of existing vertical grinding equipment involving Capital Expenditures not exceeding $2,500,000.

"***Specified Sale-Leaseback Transaction***" means the transactions contemplated by the Real Estate Purchase Agreement, dated as of January 23, 2020, between Harold St Interests and Live Ventures Incorporated, as amended by the First Amendment to Real Estate Purchase Agreement, the Second Amendment to Real Estate Purchase Agreement and the Third Amendment to Real Estate Purchase Agreement, and the Lease, dated as of the Closing Date, between Harold St Interests and Precision Industries, Inc.

"Stated Rate" has the meaning set forth in Section 3.5.

"Subsidiary" means any corporation or other entity of which a Person owns, directly or indirectly, through one or more intermediaries, more than 50% of the capital stock or other equity interest at the time of determination. Unless the context indicates otherwise, references to a Subsidiary shall be deemed to refer to a Subsidiary of Borrower.

"***Swap Contract***" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "***Master Agreement***"), including any such obligations or liabilities under any Master Agreement.

"Swingline Lender" means Encina Business Credit SPV, LLC, in its capacity as lender of Swingline Loans hereunder.

"Swingline Loans" has the meaning set forth in Section 2.4(a).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Loan" has the meaning set forth in Section 2.1(c).

"Term Loan Amount" has the meaning set forth in Section 2.1(c).

"Term Loan Commitment" means (a) as to any Lender, the aggregate commitment of such Lender to make the Term Loan as set forth in the Commitment Schedule or in the most recent Assignment and Assumption to which it is a party (as adjusted to reflect any assignments as permitted hereunder) and (b) as to all Lenders, the aggregate commitment of all Lenders to make the Term Loan, which aggregate commitment shall be in an amount equal to the Term Loan Amount.

"Termination Date" means the date on which all of the Obligations (other than contingent indemnification obligations) have been paid in full in cash and all of Agent and Lenders' lending commitments under this Agreement and under each of the other Loan Documents have been terminated.

"UCC" means, at any given time, the Uniform Commercial Code as adopted and in effect at such time in the State of New York or other applicable jurisdiction.

1.2. Accounting Terms and Determinations.

Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder (including determinations made pursuant to the exhibits hereto) shall be made, and all financial statements required to be delivered hereunder shall be prepared on a consolidated basis in accordance with GAAP consistently applied. If at any time any change in GAAP would affect the computation of any financial ratio or financial requirement set forth in any Loan Document, and either Borrower Representative or Agent shall so request, Required Lenders and Borrower Representative shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; ***provided*** that, until so amended, (a) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (b) Borrower Representative shall provide to Agent and Lenders financial statements and other documents required under this Agreement and the other Loan Documents which include a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159 (Codification of Accounting Standards 825-10) to value any Indebtedness or other liabilities of any Loan Party at ***"fair value"***, as defined therein.

Notwithstanding anything to the contrary contained in the paragraph above or the definitions of Capital Expenditures or Capitalized Leases, only those leases that would have constituted Capitalized Leases or financing leases in conformity with GAAP as in effect on the Closing Date, shall be considered Capitalized Leases or financing leases hereunder, and all calculations and deliverables under this Agreement or any other Loan Document shall be made or delivered, as applicable, in accordance therewith (other than the financial statements delivered pursuant to this Agreement; ***provided*** that all such financial statements delivered to Agent and Lenders in accordance with the terms of this Agreement shall contain a schedule showing the adjustments necessary to reconcile such financial statements with GAAP as in effect on the Closing Date, with respect to such leases).

1.3. Other Definitional Provisions and References.

References in this Agreement to ***"Articles"***, ***"Sections"***, ***"Annexes"***, ***"Exhibits"*** or ***"Schedules"*** shall be to Articles, Sections, Annexes, Exhibits or Schedules of or to this Agreement unless otherwise specifically provided. Any term defined herein may be used in the singular or plural. ***"Include"***, ***"includes"*** and ***"including"*** shall be deemed to be followed by ***"without limitation"***. ***"Or"*** shall be construed to mean ***"and/or"***. Except as otherwise specified or limited herein, references to any Person include the successors and assigns of such Person. References ***"from"*** or ***"through"*** any date mean, unless otherwise specified, ***"from and including"*** or ***"through and including"***, respectively. No provision of any Loan Documents shall be construed against any party by reason of such party having, or being deemed to have, drafted the provision. Unless otherwise specified herein, the settlement of all payments and fundings hereunder between or among the parties hereto shall be made in lawful money of the United States and in immediately available funds. Time is of the essence for each performance obligation of the Loan Parties under this Agreement and each Loan Document. All amounts used for purposes of financial calculations required to be made herein shall be without duplication. References to any statute or act shall include all related current regulations and all amendments and any successor statutes, acts and regulations. References to any agreement, instrument or document (a) shall include all schedules, exhibits, annexes and other attachments thereto and (b) shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein or in any other Loan Document). 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, securities, accounts and contract rights. Unless otherwise specified herein Dollar ($) baskets set forth in the representations and warranty, covenants and event of default provisions of this Agreement (and other similar baskets) are calculated as of each date of measurement by the Dollar Equivalent Amount thereof as of such date of measurement. Reference to a Loan Party's "knowledge" or similar concept means actual knowledge of a senior officer, or knowledge that a senior officer would have obtained if he or she had engaged in good faith and diligent performance of his or her duties, including reasonably specific inquiries of employees or agents and a good faith attempt to ascertain the matter.

2. **LOANS**.

2.1. Amount of Loans .

(a) **Revolving Loans.** Subject to the terms and conditions of this Agreement, each Lender with a Revolving Loan Commitment will severally (and not jointly), from time to time prior to the Maturity Date, at Borrower Representative's request, make revolving loans to Borrowers (***"Revolving Loans"***); ***provided***, that after giving effect to each such Revolving Loan, (A) the outstanding balance of all Revolving Loans plus fees and expenses which are due and payable by Borrower under this Agreement but which have not been paid or charged to the Loan Account will not exceed the lesser of (x) the Maximum Revolving Facility Amount minus the amount of Reserves established against the Maximum Revolving Facility Amount and (y) the Borrowing Base, (B) the sum of each Lender's outstanding balance of Revolving Loans will not exceed such Lender's Revolving Loan Commitment and (C) none of the other Loan Limits for Revolving Loans will be exceeded. All Revolving Loans shall be made in and repayable in Dollars.

(b) **Reserves**. Agent may, with or without notice to Borrower Representative, from time to time establish and revise reserves against the Borrowing Base and the Maximum Revolving Facility Amount in such amounts and of such types as Agent deems appropriate in its Permitted Discretion (***"Reserves"***) to reflect (i) events, conditions, contingencies or risks which affect or may affect (A) the Collateral or its value, or the enforceability, perfection or priority of the security interests and other rights

of Agent in the Collateral or (B) the assets, business or prospects of any Borrower or any Loan Party Obligor (including the Dilution Reserve), (ii) Agent's good faith concern that any Collateral report or financial information furnished by or on behalf of any Borrower or any Loan Party Obligor to Agent is or may have been incomplete, inaccurate or misleading in any material respect, (iii) any fact or circumstance which Agent determines in good faith constitutes, or could constitute, a Default or Event of Default, (iv) past due Taxes, or (v) any other events or circumstances which Agent determines in its Permitted Discretion make the establishment or revision of a Reserve prudent. In no event shall the establishment of a Reserve in respect of a particular actual or contingent liability obligate Agent to make advances to pay such liability or otherwise obligate Agent with respect thereto.

(c) **Term Loan.** Subject to the terms and conditions contained in this Agreement, each Lender with a Term Loan Commitment will severally (and not jointly), on the date of this Agreement, make a term loan (the "***Term Loan***") to Borrower in an amount equal to such Lender's Term Loan Commitment. The initial aggregate principal amount of the Term Loan is set forth in Section 2(a) of Annex I (the ***"Term Loan Amount"***). The Term Loan shall be advanced in a single borrowing on the Closing Date, and any principal amounts repaid in respect of the Term Loan may not be reborrowed. The Term Loan shall be made in and repayable in Dollars.

2.2. Protective Advances; Overadvances.

(a) Notwithstanding any contrary provision of this Agreement or any other Loan Document, at any time (i) after the occurrence and during the continuance of a Default or Event of Default or (ii) that any of the other applicable conditions precedent set forth in Section 4 or otherwise are not satisfied, Agent is authorized by each Borrower and each Lender, from time to time, in Agent's sole discretion, to make such Revolving Loans to, or for the benefit of, any Borrower, as Agent in its sole discretion deems necessary or desirable (1) to maintain, preserve or protect the Collateral, or any portion thereof, or (2) to enhance the likelihood of repayment of the Obligations (the Revolving Loans described in this Section 2.2 shall be referred to as ***"Protective Advances"***). Notwithstanding any contrary provision of this Agreement or any other Loan Document, Agent may disburse the proceeds of any Protective Advance to any Borrower or to such other Person(s) as Agent determines in its sole discretion. All Protective Advances shall be payable immediately upon demand. Notwithstanding the foregoing, (i) the aggregate amount of all Protective Advances outstanding at any time shall not exceed an amount equal to ten percent (10%) of the Maximum Revolving Facility Amount (without giving effect to any Reserves established against the Maximum Revolving Facility Amount) and (ii) after giving effect to any such Protective Advances, the outstanding balance of all Revolving Loans will not exceed the Maximum Revolving Facility Amount.

(b) Notwithstanding any contrary provision of this this Agreement, at the request of Borrower Representative, Agent may in its sole discretion (but with absolutely no obligation), make Revolving Loans to any Borrower, on behalf of the Lenders with a Revolving Loan Commitment, in amounts that exceed Excess Availability (any such excess Revolving Loans are herein referred to herein, collectively, as "***Overadvances***"); ***provided***, that, no Overadvance shall result in a Default due to any Borrower's failure to comply with Section 2.1(a) for so long as such Overadvance remains outstanding in accordance with the terms of this paragraph, but solely with respect to the amount of such Overadvance. Overadvances may be made even if the conditions precedent set forth in Section 4.2 have not been satisfied. The authority of Agent to make Overadvances is limited to an aggregate amount not to exceed an amount equal to ten percent (10%) of the Maximum Revolving Facility Amount (without giving effect to any Reserves established against the Maximum Revolving Facility Amount) at any time. No Overadvance may remain outstanding for more than thirty (30) days and no Overadvance shall cause any Lender's outstanding balance of Revolving Loans to exceed its Revolving Loan Commitment. Required Lenders may, at any time, revoke Agent's authorization to make Overadvances, ***provided*** that any such revocation must be in writing and shall become effective prospectively upon Agent's receipt thereof.

(c) Upon the making of any Protective Advance or Overadvance (whether before or after the occurrence of a Default or Event of Default), each Lender with a Revolving Loan Commitment shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from Agent, without recourse or warranty, an undivided interest and participation in such Protective Advance or Overadvance, as applicable, in proportion to its Pro Rata Share of the Revolving Loan Commitment. Agent may, at any time, require the applicable Lenders to fund their participations. From and after the date, if any, on which any Lender is required to fund its participation in any Protective Advance or Overadvance, as applicable, purchased hereunder, Agent shall promptly distribute to such Lender, such Lender's Pro Rata Share of all payments of principal and interest and all proceeds of Collateral received by such Agent in respect of such Loan. Each Lender acknowledges and agrees that (i) Agent may elect to fund a Protective Advance or Overadvance through one or more of its Affiliates (including, without limitation, Encina Business Credit SPV, LLC) on behalf of Agent for administrative convenience and (ii) any such funding shall constitute a Protective Advance or Overadvance, as applicable, as if made by Agent subject to the terms and conditions of this Agreement.

2.3. Notice of Borrowing; Manner of Revolving Loan Borrowing.

(a) Borrower Representative shall request each Revolving Loan by submitting such request by ABLSoft (or, if requested by Agent, by delivering, in writing or by an Approved Electronic Communication, a Notice of Borrowing substantially in the form of Exhibit A hereto) (each such request a ***"Notice of Borrowing"***). Subject to the terms and conditions of this Agreement, Agent shall, except as provided in Section 2.2, deliver the amount of the Revolving Loan requested in the Notice of Borrowing for credit to any account of Borrower as Borrower Representative may specify at a bank acceptable to Agent (***provided,*** that such account must be one identified on Section 3 of the Perfection Certificate or otherwise disclosed in writing to Agent and approved by Agent as an account to be used for funding of Loan proceeds) (any such account, a "***Funding Account***") by wire transfer of immediately available funds (i) on the same day if the Notice of Borrowing is received by Agent on or before 10:00 a.m. Central Time on a Business Day or (ii) on the immediately following Business Day if the Notice of Borrowing is received by Agent after 10:00 a.m. Central Time on a Business Day or on a day that is not a Business Day. Agent shall charge to the Revolving Loan Agent's usual and customary fees for the wire transfer of each Loan.

(b) Promptly following receipt of a Notice of Borrowing in accordance with this Section, Agent shall advise each Lender of the details thereof and of the amount of such Lender's Revolving Loan to be made as part of the requested borrowing. Each Lender shall make each Revolving Loan to be made by such Lender hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 p.m., Central Time, to the account of Agent most recently designated by it for such purpose by notice to the Lenders in an amount equal to such Lender's Pro Rata Share. Unless Agent shall have received notice from a Lender prior to the proposed date of any borrowing that such Lender will not make available to Agent such Lender's share of such borrowing, Agent may assume that such Lender has made (or will make) such share available on such date in accordance with this Section and may, in reliance upon such assumption, make available to Borrowers a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable borrowing available to Agent, then the applicable Lender and Borrowers severally agree to pay to Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to Borrowers to but excluding the date of payment to Agent, at the interest rate applicable to such Revolving Loans. If such Lender pays such amount to Agent, then such amount shall constitute such Lender's Revolving Loan included in such borrowing.

2.4. Swingline Loans.

(a) Agent, Swingline Lender and the Lenders agree that in order to facilitate the administration of this Agreement and the other Loan Documents, promptly after Borrower Representative requests a Revolving Loan, the Swingline Lender may elect to have the terms of this Section 2.4 apply to such borrowing request by advancing, on behalf of the Lenders with a Revolving Loan Commitment and in the amount requested, same day funds to Borrowers (each such Loan made solely by the Swingline Lender pursuant to this Section 2.4 is referred to in this Agreement as a "***Swingline Loan***"), with settlement among them as to the Swingline Loans to take place on a periodic basis as set forth in Section 2.4(c). Each Borrower hereby authorizes the Swingline Lender to, and Swingline Lender shall, subject to the terms and conditions set forth herein (but without any further written notice required), deliver the amount of the Swingline Loan requested to the applicable Funding Account (i) on the same day if the Notice of Borrowing is received by Agent on or before 10:00 a.m. Central Time on a Business Day or (ii) on the immediately following Business Day if the Notice of Borrowing is received by Agent after 10:00 a.m. Central Time on a Business Day or on a day that is not a Business Day. The aggregate amount of Swingline Loans outstanding at any time shall not exceed $2,500,000. Swingline Lender shall not make any Swingline Loan if the requested Swingline Loan exceeds Excess Availability (before giving effect to such Swingline Loan).

(b) Upon the making of a Swingline Loan (whether before or after the occurrence of a Default and regardless of whether a Settlement has been requested with respect to such Swingline Loan), each Lender with a Revolving Loan Commitment shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the Swingline Lender, without recourse or warranty, an undivided interest and participation in such Swingline Loan in proportion to its Pro Rata Share of the Revolving Loan Commitment. The Swingline Lender may, at any time, require the applicable Lenders to fund their participations. From and after the date, if any, on which any Lender is required to fund its participation in any Swingline Loan purchased hereunder, Agent shall promptly distribute to such Lender, such Lender's Pro Rata Share of all payments of principal and interest and all proceeds of Collateral received by such Agent in respect of such Loan.

(c) Agent, on behalf of Swingline Lender, shall request settlement (a "***Settlement***") with respect to Swingline Loans with the Lenders holding a Revolving Loan Commitment on at least a weekly basis or on any date that Agent elects, by notifying the applicable Lenders of such requested Settlement by facsimile, telephone, or e-mail no later than 12:00 p.m. Central Time on the date of such requested Settlement (the "***Settlement Date***"). Each applicable Lender (other than the Swingline Lender) shall transfer the amount of such Lender's Pro Rata Share of the outstanding principal amount of the Swingline Loan with respect to which Settlement is requested to Agent, to such account of Agent as Agent may designate, not later than 2:00 p.m., Central Time, on such Settlement Date. Settlements may occur during the existence of a Default and whether or not the applicable conditions precedent set forth in Section 4.2 have then been satisfied. Such amounts transferred to Agent shall be applied against the amounts of the Swingline Lender's Swingline Loans and, together with such Swingline Lender's Pro Rata Share of such Swingline Loan, shall constitute Revolving Loans of such Lenders, respectively. If any such amount is not transferred to Agent by any applicable Lender on such Settlement Date, the Swingline Lender shall be entitled to recover such amount on demand from such Lender together with interest thereon.

2.5. Repayments.

(a) **Revolving Loans.** If at any time for any reason whatsoever (including as a result of currency fluctuations) (i) the outstanding balance of all Revolving Loans exceeds the lesser of (x) the Maximum Revolving Facility Amount minus Reserves established against the Maximum Revolving Facility Amount and (y) the Borrowing Base or (ii) any of the Loan Limits for Revolving Loans are exceeded, then, in each case, except to the extent permitted by Section 2.2, Borrowers will immediately pay to Agent such amounts as shall cause Borrowers to eliminate such excess.

(b) **Term Loan.** Principal of the Term Loan shall be repaid as set forth in Section 2(b) of Annex I.

(c) **Maturity Date Payments.** All remaining outstanding monetary Obligations (including, all accrued and unpaid fees described in Section 3.2) shall be payable in full on the Maturity Date.

2.6. Prepayments / Voluntary Termination / Application of Prepayments.

(a) **Certain Mandatory Prepayment Events.** Borrowers shall be required to prepay the unpaid principal balance of the Term Loan, and after the Term Loan has been paid in full, Borrowers shall be required to prepay the outstanding principal balance of the Revolving Loans within three (3) Business Days after the date of each and every Prepayment Event (and within three (3) Business Days after any date thereafter on which proceeds pertaining thereto are received by any Loan Party), in each case without any demand or notice from Agent, any Lender or any other Person, all of which is hereby expressly waived by each Borrower, in the amount of 100% of the proceeds (net of (w) documented reasonable out-of-pocket costs and expenses incurred in connection with the collection of such proceeds, in each case payable to Persons that are not Affiliates of any Loan Party, (x) transfer and similar taxes, (y) reserves and escrows for indemnities, until such reserves are no longer needed and (z) amounts applied to the repayment of Indebtedness secured by Permitted Liens on assets disposed of in connection with the Prepayment Event) received by any Loan Party with respect to such Prepayment Event; ***provided***, that with respect to a Prepayment Event of the type described in clause (ii) of the definition of Prepayment Event, so long as no Default or Event of Default exists, to the extent that the proceeds received by such Person as a result of such Prepayment Event do not exceed $150,000 in the aggregate during any Fiscal Year and are actually applied within 180 days of such receipt to (x) repair, replace or reconstruct the property or assets subject to such Prepayment Event with property and/or assets performing the same or similar functions or (y) repair, replace or reconstruct property and or assets damaged by such Prepayment Event, such proceeds shall not be required to prepay the Loans pursuant to this Section 2.6(a) (pending such reinvestment such proceeds shall be delivered to Agent to hold in an escrow account; ***provided***, that to the extent such proceeds are not reinvested within such 180-day period, or any Default or Event of Default occurs during such period, Agent shall apply such proceeds as a prepayment of the Term Loan as provided in this Section 2.6(a)).

(b) **Reserved.**

(c) **Voluntary Prepayment of Term Loan.** Borrower Representative may from time to time, on at least one Business Day's written notice or telephonic notice (followed immediately by written confirmation thereof) to Agent not later than 10:00 a.m. Central Time on such day, prepay the Term Loan in whole or in part, without penalty or premium. Any such partial prepayment shall be in an amount equal to $100,000 or a higher integral multiple of $100,000.

(d) **Voluntary Termination of Loan Facilities.** Borrower Representative may, on at least thirty days prior written notice received by Agent, permanently terminate the Loan facilities by repaying all of the outstanding Obligations, including all principal, interest and fees with respect to the Revolving Loans and the Term Loan, and an Early Termination Fee in the amount specified in Section 3.2(e). From and after such date of termination, Agent shall have no obligation whatsoever to extend any additional Loans, and all of its lending commitments hereunder shall be terminated.

(e) **Application of Prepayments.** All prepayments (whether voluntary or mandatory) of the Term Loan shall be applied in the inverse order to the installments thereof as set forth in Section 2(b) of Annex I.

2.7. Obligations Unconditional.

(a) The payment and performance of all Obligations shall constitute the absolute and unconditional obligations of each Loan Party Obligor, and shall be independent of any defense or right of set-off, recoupment or counterclaim that any Loan Party Obligor or any other Person might otherwise have against Agent, any Lender or any other Person. All payments required by this Agreement or the other Loan Documents shall be made in Dollars (unless payment in a different currency is expressly provided otherwise in the applicable Loan Document) and paid free of any deductions or withholdings for any taxes or other amounts and without abatement, diminution or set-off. If any Loan Party Obligor is required by applicable law to make such a deduction or withholding from a payment under this Agreement or under any other Loan Document, such Loan Party Obligor shall pay to Agent such additional amount as shall be necessary to ensure that, after the making of such deduction or withholding, Agent receives (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made. Each Loan Party Obligor shall (a) pay the full amount of any deduction or withholding that it is required to make by law, to the relevant authority within the payment period set by applicable law and (b) promptly after any such payment, deliver to Agent an original (or certified copy) official receipt issued by the relevant authority in respect of the amount withheld or deducted or, if the relevant authority does not issue such official receipts, such other evidence of payment of the amount withheld or deducted as is reasonably acceptable to Agent.

(b) If, at any time and from time to time after the Closing Date (or at any time before or after the Closing Date with respect to the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith), (a) any change in any existing law, regulation, treaty or directive or in the interpretation or application thereof, (b) any new law, regulation, treaty or directive enacted or application thereof or (c) compliance by Agent with any request or directive (whether or not having the force of law) from any Governmental Authority, central bank or comparable agency (i) subjects Agent or any Lender to any tax, levy, impost, deduction, assessment, charge or withholding of any kind whatsoever with respect to any Loan Document, or changes the basis of taxation of payments to Agent or any Lender of any amount payable thereunder (except for net income taxes, or franchise taxes imposed in lieu of net income taxes, imposed generally by federal, state, local or other taxing authorities with respect to interest or fees payable hereunder or under any other Loan Document or changes in the rate of tax on the overall net income of Agent, any Lender or their respective members) or (ii) imposes, modifies or deems applicable any reserve (including any reserve imposed by the FRB, but excluding any reserve included in the determination of the LIBOR Rate), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by Agent or any Lender or imposes on Agent or any Lender any other condition affecting its LIBOR Loans or its obligation to make LIBOR Loans, the result of which is to increase the cost to (or to impose a cost on) Agent or any Lender of making or maintaining any LIBOR Loan or (iii) imposes on Agent or any Lender any other condition or increased cost in connection with the transactions contemplated thereby or participations therein, and the result of any of the foregoing is to increase the

cost to Agent or any Lender of making or continuing any Loan or to reduce any amount receivable hereunder or under any other Loan Documents, then, in each such case, Borrowers shall promptly pay to Agent or such Lender, when notified to do so by Agent or such Lender, any additional amounts necessary to compensate Agent or such Lender, on an after-tax basis, for such additional cost or reduced amount as determined by Agent or such Lender. Each such notice of additional amounts payable pursuant to this Section 2.7(b) submitted by Agent or any Lender, as applicable, to Borrower Representative shall, absent manifest error, be final, conclusive and binding for all purposes.

(c) This Section 2.7 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Loans.

2.8. Reversal of Payments. To the extent that any payment or payments made to or received by Agent or any Lender pursuant to this Agreement or any other Loan Document are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to any trustee, receiver or other Person under any state, federal or other bankruptcy or other such applicable law, then, to the extent thereof, such amounts (and all Liens, rights and remedies relating thereto) shall be revived as Obligations (secured by all such Liens) and continue in full force and effect under this Agreement and under the other Loan Documents as if such payment or payments had not been received by Agent or such Lender. This Section 2.8 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Loans.

2.9. Notes. The Loans and Commitments shall, at the request of any Lender, be evidenced by one or more promissory notes in form and substance reasonably satisfactory to such Lender. However, if such Loans are not so evidenced, such Loans may be evidenced solely by entries upon the books and records maintained by Agent.

2.10. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) Unused Line Fees pursuant to Section 3.2(c) shall cease to accrue on the unfunded portion of the Revolving Loan Commitment of such Defaulting Lender;

(b) Any amount payable to a Defaulting Lender hereunder (whether on account of principal, interest, fees or otherwise) shall, in lieu of being distributed to such Defaulting Lender, be retained by Agent in a segregated account and, subject to any applicable requirements of law, be applied at such time or times as may be determined by Agent (i) first, to the payment of any amounts owing by such Defaulting Lender to Agent hereunder, (ii) second, to the funding of any Revolving Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by Agent, (iii) third, if so determined by Agent and Borrowers, held in such account as cash collateral for future funding obligations of the Defaulting Lender under this Agreement, (iv) fourth, pro rata, to the payment of any amounts owing to Borrowers or the Lenders as a result of any judgment of a court of competent jurisdiction obtained by Borrowers or any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement, and (v) fifth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; ***provided***, that if such payment is made at a time when the conditions set forth in Section 4.2 are satisfied, such payment shall be applied solely to prepay the Loans of all Revolving Lenders that are not Defaulting Lenders pro rata prior to being applied to the prepayment of any Loans, or reimbursement obligations owed to, any Defaulting Lender.

(c) No Defaulting Lender shall have any right to approve or disapprove any amendment, waiver, consent or any other action the Lenders or the Required Lenders have taken or may take hereunder, provided that any waiver, amendment or modification requiring the consent of all Lenders or each directly affected Lender which affects such Defaulting Lender differently than other affected Lenders shall require the consent of such Defaulting Lender.

2.11. Appointment of Borrower Representative.

(a) Each Borrower hereby irrevocably appoints and constitutes Borrower Representative as its agent and attorney-in-fact to request and receive Loans in the name or on behalf of such Borrower and any other Borrowers, deliver Notices of Borrowing, and Borrowing Base Certificates, give instructions with respect to the disbursement of the proceeds of the Loans, giving and receiving all other notices and consents hereunder or under any of the other Loan Documents and taking all other actions (including in respect of compliance with covenants) in the name or on behalf of any Borrower or Borrowers pursuant to this Agreement and the other Loan Documents. Agent may disburse the Loans to such bank account of Borrower Representative or a Borrower or otherwise make such Loans to a Borrower, in each case as Borrower Representative may designate or direct, without notice to any other Borrower. Notwithstanding anything to the contrary contained herein, Agent may at any time and from time to time require that Loans to or for the account of any Borrower be disbursed directly to an operating account of such Borrower.

(b) Borrower Representative hereby accepts the appointment by Borrowers to act as the agent and attorney-in-fact of Borrowers pursuant to this Section 2.11. Borrower Representative shall ensure that the disbursement of any Loans that are at any time requested by or to be remitted to or for the account of a Borrower requested on behalf of a Borrower hereunder, shall be remitted or issued to or for the account of such Borrower.

(c) Each Borrower hereby irrevocably appoints and constitutes Borrower Representative as its agent to receive statements on account and all other notices from Agent and Lenders with respect to the Obligations or otherwise under or in connection with this Agreement and the other Loan Documents.

(d) Any notice, election, representation, warranty, agreement or undertaking made or delivered by or on behalf of any Borrower by Borrower Representative shall be deemed for all purposes to have been made or delivered by such Borrower, as the case may be, and shall be binding upon and enforceable against such Borrower to the same extent as if made or delivered directly by such Borrower.

(e) No resignation by or termination of the appointment of Borrower Representative as agent and attorney-in-fact as aforesaid shall be effective, except after ten (10) Business Days' prior written notice to Agent. If the Borrower Representative resigns under this Agreement, Borrowers shall be entitled to appoint a successor Borrower Representative (which shall be a Borrower and shall be reasonably acceptable to Agent as such successor). Upon the acceptance of its appointment as successor Borrower Representative hereunder, such successor Borrower Representative shall succeed to all the rights, powers and duties of the resigning Borrower Representative and the term "Borrower Representative" shall mean such successor Borrower Representative for all purposes of this Agreement and the other Loan Documents, and the resigning or terminated Borrower Representative's appointment, powers and duties as Borrower Representative shall be thereupon terminated.

2.12. Joint and Several Liability

(b) Joint and Several. Each Borrower hereby agrees that such Borrower is jointly and severally liable for the full and prompt payment (whether at stated maturity, by acceleration or otherwise) and performance of, all Obligations owed or hereafter owing to Agent and Lenders by each other Borrower. Each Borrower agrees that its obligation hereunder shall not be discharged until payment and performance, in full, of the Obligations has occurred, and that its obligations under this Section 2.12 shall be absolute and unconditional, irrespective of, and unaffected by,

(i) the genuineness, validity, regularity, enforceability or any future amendment of, or change in, this Agreement, any other Loan Document or any other agreement, document or instrument to which any Borrower is or may become a party;

(ii) the absence of any action to enforce this Agreement (including this Section 2.12) or any other Loan Document or the waiver or consent by Agent or any Lender with respect to any of the provisions thereof;

(iii) the existence, value or condition of, or failure to perfect Agent's Lien against, any security for the Obligations or any action, or the absence of any action, by Agent in respect thereof (including the release of any such security);

(iv) the insolvency of any Loan Party or Other Obligor; or

(v) any other action or circumstances that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor.

(c) Waivers by Borrowers. Each Borrower expressly waives all rights it may have now or in the future under any statute, or at common law, or at law or in equity, or otherwise, to compel Agent to marshal assets or to proceed in respect of the Obligations against any other Loan Party or Other Obligor, any other party or against any security for the payment and performance of the Obligations before proceeding against, or as a condition to proceeding against, such Borrower. It is agreed among each Borrower, Agent and Lenders that the foregoing waivers are of the essence of the transaction contemplated by this Agreement and the other Loan Documents and that, but for the provisions of this Section 2.12 and such waivers, Agent and Lenders would decline to enter into this Agreement.

(d) Benefit of Joint and Several Obligations. Each Borrower agrees that the provisions of this Section 2.12 are for the benefit of Agent and Lenders and their successors, transferees, endorsees and assigns, and nothing herein contained shall impair, as between any other Borrower, Agent and any Lender, the obligations of such other Borrower under the Loan Documents.

(e) Subordination of Subrogation, Etc. Notwithstanding anything to the contrary in this Agreement or in any other Loan Document, each Borrower hereby expressly and irrevocably subordinates to payment of the Obligations any and all rights at law or in equity to subrogation, reimbursement, exoneration, contribution, indemnification or set off and any and all defenses available to a surety, guarantor or accommodation co-obligor with respect to any other Loan Party or any Other Obligor until the Obligations are indefeasibly paid in full in cash. Each Borrower acknowledges and agrees that this subordination is intended to benefit Agent and Lenders and shall not limit or otherwise affect such Borrower's liability hereunder or the enforceability of this Section 2.12, and that Agent and Lenders and their successors and assigns are intended third party beneficiaries of the waivers and agreements set forth in this Section 2.12(d).

(f) Election of Remedies. If Agent may, under applicable law, proceed to realize its benefits under any of the Loan Documents giving Agent a Lien upon any Collateral, whether owned by any Borrower or by any other Person, either by judicial foreclosure or by non-judicial sale or enforcement, Agent may, at its sole option, determine which of its remedies or rights it may pursue without affecting any of its rights and remedies under this Section 2.12. If, in the exercise of any of its rights and remedies, Agent shall forfeit any of its rights or remedies, including its right to enter a deficiency judgment against any Borrower or any other Person, whether because of any applicable laws pertaining to "election of remedies" or the like, each Borrower hereby consents to such action by Agent and waives any claim based upon such action, even if such action by Agent shall result in a full or partial loss of any rights of subrogation that each Borrower might otherwise have had but for such action by Agent.

(g) Contribution with Respect to Guaranty Obligations .

(i) To the extent that any Borrower shall make a payment under this Section 2.12 of all or any of the Obligations (other than Loans made to that Borrower for which it is primarily liable) (a "***Guarantor Payment***") that, taking into account all other Guarantor Payments then previously or concurrently made by any other Borrower, exceeds the amount that such Borrower would otherwise have paid if each Borrower had paid the aggregate Obligations satisfied by such Guarantor Payment in the same proportion that such Borrower's "Allocable Amount" (as defined below) (as determined immediately prior to such Guarantor Payment) bore to the aggregate Allocable Amounts of each of the Borrowers as determined immediately prior to the making of such Guarantor Payment, then, following indefeasible payment in full in cash of the Obligations and termination of the Commitments, such Borrower shall be entitled to receive contribution and indemnification payments from, and be reimbursed by, each other Borrower for the amount of such excess, pro rata based upon their respective Allocable Amounts in effect immediately prior to such Guarantor Payment.

(ii) As of any date of determination, the "***Allocable Amount***" of any Borrower shall be equal to the maximum amount of the claim that could then be recovered from such Borrower under this Section 2.12 without rendering such claim voidable or avoidable under Section 548 of Chapter 11 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law.

(iii) This Section 2.12(f) is intended only to define the relative rights of Borrowers and nothing set forth in this Section 2.12(f) is intended to or shall impair the obligations of Borrowers, jointly and severally, to pay any amounts as and when the same shall become due and payable in accordance with the terms of this Agreement, including Section 2.12(a). Nothing contained in this Section 2.12(f) shall limit the liability of any Borrower to pay the Loans made directly or indirectly to that Borrower and accrued interest, fees and expenses with respect thereto for which such Borrower shall be primarily liable.

(iv) The parties hereto acknowledge that the rights of contribution and indemnification hereunder shall constitute assets of each Borrower to which such contribution and indemnification is owing.

(v) The rights of the indemnifying Borrowers against other Loan Parties under this Section 2.12(f) shall be exercisable upon the full and indefeasible payment of the Obligations and the termination of the Commitments.

(h) Liability Cumulative. The liability of Borrowers under this Section 2.12 is in addition to and shall be cumulative with all liabilities of each Borrower to Agent and Lenders under this Agreement and the other Loan Documents to which such Borrower is a party or in respect of any Obligations or obligation of the other Borrower, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

3. **INTEREST AND FEES; LOAN ACCOUNT**.

3.1. Interest. All Loans and other monetary Obligations shall bear interest at the interest rate(s) set forth in Section 3 of Annex I, and accrued interest shall be payable (a) on the first day of each month in arrears, (b) upon a prepayment of Loan in accordance with Section 2.6 and (c) on the Maturity Date; ***provided***, that after the occurrence and during the continuation of an Event of Default, all Loans and other monetary Obligations shall bear interest at a rate per annum equal to two (2) percentage points (2.00%) in excess of the rate otherwise applicable thereto (the ***"Default Rate"***), and all such interest shall be payable on demand. Changes in the interest rate shall be effective as of the first day of each month based on the LIBOR Rate or Base Rate, as applicable, in effect on such date. Subject to Section 3.6 and so long as no Event of Default shall have occurred and be continuing, all Loans shall constitute LIBOR Loans. Upon the occurrence and during the continuance of an Event of Default, at the election of Agent or Required Lenders, all Loans shall constitute Base Rate Loans.

3.2. Fees. Borrowers shall pay Agent the following fees on the dates provided therefor, which fees are in addition to all fees and other sums payable by Borrowers or any other Person to Agent under this Agreement or under any other Loan Document and, in each case, are not refundable once paid:

(a) **Closing Fee.** A fee, for the ratable benefit of the Lenders, equal to $375,000 (the ***"Closing Fee"***), which shall be deemed to be fully earned as of the Closing Date and due and payable $125,000 on the Closing Date, $125,000 on the date that is six (6) months following the Closing Date and $125,000 on the first anniversary of the Closing Date.

(b) **Monthly Administration Fee.** A monthly fee, for the sole benefit of Agent, equal to $3,000 (the ***"Monthly Administration Fee"***) for each month, or part thereof prior to the Termination Date. The Monthly Administration Fee shall be fully earned and due and payable monthly in advance on the first day of each month following the Closing Date and prorated as of the Closing Date.

(c) **Unused Line Fee.** An unused line fee (the ***"Unused Line Fee"***), for the ratable benefit of the Lenders, equal to one half of one percent (0.50%) per annum of the amount by which (i) the Maximum Revolving Facility Amount, calculated without giving effect to any Reserves applied to the Maximum Revolving Facility Amount, exceeds (ii) the average daily outstanding principal balance of the Revolving Loans during the immediately preceding month (or part thereof), which fee shall be fully earned as it accrues and shall be due and payable, in arrears, on the first day of each month until the Termination Date.

(d) **Reserved**.

(e) **Early Termination Fee.**

(i) If, on or before the third anniversary of the Closing Date, the Revolving Loan Commitment is terminated for any reason (including, in either case, any voluntary, mandatory or automatic termination, regardless of whether an Event of Default has occurred and is then continuing, and including by reason of any acceleration, automatic acceleration or otherwise), in each case pursuant to Section 2.5(d), Section 11.2 or otherwise, then in each such case, in addition to any required payment of principal and unpaid accrued interest and other amounts due thereon, Borrowers immediately shall be required to pay to Agent, for the ratable benefit of the Lenders, a premium (each, an "***Early Termination Fee***") (as liquidated damages and compensation for the cost of the Lenders being prepared to make funds available under the Revolving Loan Commitment during the scheduled term of this Agreement) in an amount equal to the Applicable Percentage (as defined below) of the amount of any such early Revolving Loan Commitment or portion thereof so reduced or terminated . The ***"Applicable Percentage"*** shall be (A) three percent (3.0%), if such event occurs on or before the first anniversary of the Closing Date, (B) one percent (1.0%) if such event occurs after the first anniversary of the Closing Date, but on or before the second anniversary of the Closing Date or (C) one-half of one percent (0.50%) if such event occurs after the second anniversary of the Closing Date, but on or before the third anniversary of the Closing Date***; provided***, during the three months preceding the Scheduled Maturity Date, no Early Termination Fee shall apply so long as Borrower provides at least 90-days' prior written notice to Agent of such proposed early or Revolving Loan Commitment reduction or termination.

(ii) The Early Termination Fee shall be calculated, earned and due and payable on and as of the date of the applicable early termination of the Revolving Loan Commitment.

(iii) The Loan Party Obligors acknowledge and agree that (A) the Lenders will have suffered damages on account of any of the foregoing events and that, in view of the difficulty in ascertaining the amount of such damages, the Early Termination Fee constitutes reasonable compensation and liquidated damages to compensate the Lenders on account thereof, and (B) payment of the Early Termination Fee due hereunder is reasonable under the circumstances currently existing. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE LOAN PARTY OBLIGORS HEREBY EXPRESSLY WAIVES THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE FOREGOING EARLY TERMINATION FEES, INCLUDING IN CONNECTION WITH ANY ACCELERATION AND TERMINATION OF THE REVOLVING LOAN COMMITMENT, INCLUDING IN CONNECTION WITH ANY VOLUNTARY OR INVOLUNTARY ACCELERATION AND THE TERMINATION OF THE REVOLVING LOAN COMMITMENT AS A RESULT OF ANY BANKRUPTCY OR INSOLVENCY PROCEEDING OR OTHER PROCEEDING PURSUANT TO ANY DEBTOR RELIEF LAWS OR PURSUANT TO A PLAN OF REORGANIZATION. Each of the Loan Party Obligors hereby expressly agrees that: (x) the Early Termination Fee is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (y) the Early Termination Fee shall be payable notwithstanding the then prevailing market rates at the time payment is made; and (z) the Loan Party Obligors shall be estopped hereafter from claiming differently than as agreed to in this paragraph. Each of the Loan Party Obligors hereby expressly acknowledges that the agreement to pay the Early Termination Fee as herein described is a material inducement to the Lenders to enter into this Agreement and the other Loan Documents.

3.3. Computation of Interest and Fees. All interest and fees shall be calculated daily on the outstanding monetary Obligations based on the actual number of days elapsed in a year of 360 days.

3.4. Loan Account; Monthly Accountings. Agent shall maintain a loan account for Borrowers reflecting all outstanding Loans, along with interest accrued thereon and such other items reflected therein (the ***"Loan Account"***), and shall provide Borrower Representative with a monthly accounting reflecting the activity in the Loan Account, viewable by Borrowers on ABLSoft. Each accounting shall be deemed correct, accurate and binding on Borrowers and an account stated (except for reverses and reapplications of payments made and corrections of errors discovered by Agent), unless Borrower Representative notifies Agent in writing to the contrary within thirty days after such account is rendered, describing the nature of any alleged errors or omissions. However, Agent's failure to maintain the Loan Account or to provide any such accounting shall not affect the legality or binding nature of any of the Obligations. Interest, fees and other monetary Obligations due and owing under this Agreement may, in Agent's discretion, be charged to the Loan Account, and will thereafter be deemed to be Revolving Loans and will bear interest at the same rate as other Revolving Loans.

3.5. Further Obligations; Maximum Lawful Rate. With respect to all monetary Obligations for which the interest rate is not otherwise specified herein (whether such Obligations arise hereunder or under any other Loan Document, or otherwise), such Obligations shall bear interest at the rate(s) in effect from time to time with respect to the Revolving Loans and shall be payable upon demand by Agent. In no event shall the interest charged with respect to any Loan or any other Obligation exceed the maximum amount permitted under applicable law. Notwithstanding anything to the contrary herein or elsewhere, if at any time the rate of interest payable or other amounts hereunder or under any other Loan Document (the ***"Stated Rate"***) would exceed the highest rate of interest or other amount permitted under any applicable law to be charged (the ***"Maximum Lawful Rate"***), then for so long as the Maximum Lawful Rate would be so exceeded, the rate of interest and other amounts payable shall be equal to the Maximum Lawful Rate; ***provided***, that if at any time thereafter the Stated Rate is less than the Maximum Lawful Rate, Borrowers shall, to the extent permitted by applicable law, continue to pay interest and such other amounts at the Maximum Lawful Rate until such time as the total interest and other such amounts received is equal to the total interest and other such amounts which would have been received had the Stated Rate been (but for the operation of this provision) the interest rate payable or such other amounts payable. Thereafter, the interest rate and such other amounts payable shall be the Stated Rate unless and until the Stated Rate again would exceed the Maximum Lawful Rate, in which event this provision shall again apply. In no event shall the total interest or other such amounts received by Agent exceed the amount which it could lawfully have received had the interest and other such amounts been calculated for the full term hereof at the Maximum Lawful Rate. If, notwithstanding the prior sentence, Agent has received interest or other such amounts hereunder in excess of the Maximum Lawful Rate, such excess amount shall be applied to the reduction of the principal balance of the Loans or to other Obligations (other than interest) payable hereunder, and if no such principal or other Obligations are then outstanding, such excess or part thereof remaining shall be paid to Borrowers. In computing interest payable with reference to the Maximum Lawful Rate applicable to any Lender, such interest shall be calculated at a daily rate equal to the Maximum Lawful Rate divided by the number of days in the year in which such calculation is made.

3.6. Certain Provisions Regarding LIBOR Loans; Replacement of Lenders.

(a) **Inadequate or Unfair Basis**. If Agent or any Lender reasonably determines (which determination shall be binding and conclusive on Borrowers) that, by reason of circumstances affecting the interbank Eurodollar market, adequate and reasonable means do not exist for ascertaining the applicable LIBOR Rate, then Agent or such Lender shall promptly notify Borrower Representative (and Agent, if applicable) thereof and, so long as such circumstances shall continue, (i) Agent and/or such Lender shall be under no obligation to make any LIBOR Loans and (ii) on the last day of the current calendar month, each LIBOR Loan shall, unless then repaid in full, automatically convert to a Base Rate Loan.

(b) **Change in Law**. If any change in, or the adoption of any new, law, treaty or regulation, or any change in the interpretation of any applicable law or regulation by any Governmental Authority charged with the administration thereof, would make it (or in the good faith judgment of Agent or the applicable Lender cause a substantial question as to whether it is) unlawful for Agent or such Lender to make, maintain or fund LIBOR Loans, then Agent or such Lender shall promptly notify Borrower Representative and, so long as such circumstances shall continue, (i) Agent or such Lender shall have no obligation to make any LIBOR Loan and (ii) on the last day of the current calendar month for each LIBOR Loan (or, in any event, on such earlier date as may be required by the relevant law, regulation or interpretation), such LIBOR Loan shall, unless then repaid in full, automatically convert to a Base Rate Loan.

(c) If any Borrower becomes obligated to pay additional amounts to any Lender pursuant to Section 2.7(b), or any Lender gives notice of the occurrence of any circumstances described in Section 2.7(b), or if Lender becomes a Defaulting Lender, Borrowers may designate another Person engaged in the making of commercial loans in the ordinary course of business which is acceptable to Agent in its sole discretion (such other Person being called a "***Replacement Lender***") to purchase the Loans and Commitments of such Lender and such Lender's rights hereunder, without recourse to or warranty by, or expense to, such Lender, for a purchase price equal to the outstanding principal amount of the Loans payable to such Lender plus any accrued but unpaid interest on such Loans and all accrued but unpaid fees owed to such Lender and any other amounts payable to such Lender under this Agreement, and to assume all the obligations of such Lender hereunder, and, upon such purchase and assumption (pursuant to an Assignment and Assumption), such Lender shall no longer be a party hereto or have any rights hereunder (other than rights with respect to indemnities and similar rights applicable to such Lender prior to the date of such purchase and assumption) and shall be relieved from all obligations to Borrowers hereunder, and the Replacement Lender shall succeed to the rights and obligations of such Lender hereunder.

(d) **LIBOR Discontinuation**. Notwithstanding anything contained herein to the contrary, if Agent reasonably determines after the Closing Date that the LIBOR Rate has been discontinued or is no longer available as a benchmark interest rate, Agent shall select a comparable successor rate in its reasonable discretion (in consultation with the Borrower Representative), which successor rate shall be applied in a manner consistent with market practice taking into account the benchmark interest rates applicable to funding sources for the Lenders, and will promptly so notify each Lender.

4. CONDITIONS PRECEDENT.

4.1. Conditions to Initial Loans.

Each Lender's obligation to fund the initial Loans under this Agreement is subject to the following conditions precedent (as well as any other conditions set forth in this Agreement or any other Loan Document), all of which must be satisfied in a manner acceptable to Agent (and as applicable, pursuant to documentation which in each case is in form and substance acceptable to Agent):

(a) each Loan Party Obligor shall have duly executed and/or delivered, or, as applicable, shall have caused such other applicable Persons to have duly executed and or delivered, to Agent such agreements, instruments, documents, proxies, financial statements, projections, lien searches, legal opinions, title insurances, assessments, appraisals, and certificates as Agent may require, including such other agreements, instruments, documents, proxies, financial statements, projections, lien searches, legal opinions, title insurance, assessments, appraisals, and certificates listed on the closing checklist attached hereto as Exhibit B;

(b) Agent shall have completed its business and legal due diligence pertaining to the Loan Parties and their respective businesses and assets, with results thereof satisfactory to Agent in its sole discretion;

(c) each Lender's obligations and commitments under this Agreement shall have been approved by such Lender's Credit Committee;

(d) after giving effect to such Loans, as well as to the payment of all trade payables older than sixty days past due and the consummation of all transactions contemplated hereby to occur on the Closing Date, closing costs and any book overdraft, Excess Availability shall be no less than $964,500;

(e) since December 31, 2019, no event shall have occurred which has had, or could reasonably be expected to have, a Material Adverse Effect; and

(f) Borrowers shall have paid to Agent all fees due on the date hereof, and shall have paid or reimbursed Agent for all of Agent's costs, charges and expenses incurred through the Closing Date (and in connection herewith, Borrowers hereby irrevocably authorizes Agent to charge such fees, costs, charges and expenses as Revolving Loans).

4.2. Conditions to all Loans. No Lender shall be obligated to fund any Loans, unless the following conditions are satisfied:

(a) Borrower Representative shall have provided to Agent such information as Agent may require in order to determine the Borrowing Base (including the items set forth in Section 7.15(a), (b) and (c) (as applicable)), as of such borrowing or issue date, after giving effect to such Loans;

(b) each of the representations and warranties set forth in this Agreement and in the other Loan Documents shall be true and correct in all material respects (except where such representation or warranty is already qualified by Material Adverse Effect, materiality or similar qualifications, in which case such representation or warranty shall be accurate in all respects) as of the date such Loan is made (or, to the extent any representations or warranties are expressly made solely as of an earlier date, such representations and warranties shall be true and correct in all material respects as of such earlier date), both before and after giving effect thereto;

(c) no Default or Event of Default shall be in existence, both before and after giving effect thereto; and

(d) no event shall have occurred or circumstance shall exist that has or could reasonably be expected to have a Material Adverse Effect.

Each request (or deemed request) by Borrowers for funding of a Loan shall constitute a representation by each Borrower that the foregoing conditions are satisfied on the date of such request and on the date of such funding or issuance. As an additional condition to any funding, issuance or grant, Agent shall have received such other information, documents, instruments and agreements as it deems appropriate in connection therewith.

5. **COLLATERAL**.

5.1. Grant of Security Interest. To secure the full payment and performance of all of the Obligations, each Loan Party Obligor hereby assigns to Agent and grants to Agent, for itself and on behalf of the Lenders, a continuing security interest in all property of each Loan Party Obligor, whether tangible or intangible, real or personal, now or hereafter owned, existing, acquired or arising and wherever now or hereafter located, and whether or not eligible for lending purposes, to the extent not constituting Excluded Assets, including: (a) all Accounts (whether or not Eligible Accounts) and all Goods whose sale, lease or other disposition by any Loan Party Obligor has given rise to Accounts and have been returned to, or repossessed or stopped in transit by, any Loan Party Obligor; (b) all Chattel Paper (including Electronic Chattel Paper), Instruments, Documents, and General Intangibles (including all patents, patent applications, trademarks, trademark applications, trade names, trade secrets, goodwill, copyrights, copyright applications, registrations, licenses, software, franchises, customer lists, tax refund claims, claims against carriers and shippers, guaranty claims, contracts rights, payment intangibles, security interests, security deposits and rights to indemnification); (c) all Inventory (whether or not Eligible Inventory); (d) all Goods (other than Inventory), including Equipment vehicles, and Fixtures; (e) all Investment Property, including all rights, privileges, authority, and powers of each Loan Party Obligor as an owner or as a holder of Pledged Equity, including all economic rights, all control rights, authority and powers, and all status rights of each Loan Party Obligor as a member, equity holder or shareholder, as applicable, of each Issuer and any rights related to any Loan Party Obligors' capital account within the Issuer in respect of Investment Property; (f) all Deposit Accounts, bank accounts, deposits, money and cash; (g) all Letter-of-Credit Rights; (h) all Commercial Tort Claims, including those listed in Section 2 of the Perfection Certificate (if any); (i) all Supporting Obligations; (j) all life insurance policies; (k) all leases; (l) Reserved; (m) any other property of any Loan Party Obligor now or hereafter in the possession, custody or control of Agent or any agent or any parent, Affiliate or Subsidiary of Agent, any Lender or any Participant with Lender in the Loans, for any purpose (whether for safekeeping, deposit, collection, custody, pledge, transmission or otherwise); and (n) all additions and accessions to, substitutions for, and replacements, products and Proceeds of the foregoing property, including proceeds of all insurance policies insuring the foregoing property (including hazard, flood and credit insurance), and all of each Loan Party Obligor's books and records relating to any of the foregoing and to any Loan Party's business.

5.2. Possessory Collateral. Promptly, but in any event no later than ten (10) Business Days after any Loan Party Obligor's receipt of any portion of the Collateral valued in excess of $100,000 evidenced by an Instrument or Document, including any Tangible Chattel Paper and any Investment Property consisting of certificated securities, such Loan Party Obligor shall deliver the original thereof to Agent together with an appropriate endorsement or other specific evidence of assignment thereof to Agent (in form and substance acceptable to Agent). If an endorsement or assignment of any such items shall not be made for any reason, Agent is hereby irrevocably authorized, as attorney and agent-in-fact (coupled with an interest) for each Loan Party Obligor, to endorse or assign the same on such Loan Party Obligor's behalf.

5.3. Further Assurances. Each Loan Party Obligor shall, at its own cost and expense, promptly and duly take, execute, acknowledge and deliver (or cause each other applicable Person to take, execute, acknowledge and deliver) all such further acts, documents, agreements and instruments as may from time to time be necessary or desirable or as Agent may from time to time require in order to (a) carry out the intent and purposes of the Loan Documents and the transactions contemplated thereby, (b) establish, create, preserve, protect and perfect a first priority lien (subject only to Permitted Liens) in favor of Agent in all the Collateral (wherever located) from time to time owned by the Loan Party Obligors and in all capital stock and other equity from time to time issued by the Loan Parties (including appraisals of real property in compliance with FIRREA), (c) cause each Subsidiary of a Borrower to guaranty all of the Obligations, all pursuant to documentation that is in form and substance reasonably satisfactory to Agent and (d) facilitate the collection of the Collateral. Without limiting the foregoing, each Loan Party Obligor

shall, at its own cost and expense, promptly and duly take, execute, acknowledge and deliver (or cause each other applicable Person to take, execute, acknowledge and deliver) to Agent all promissory notes, security agreements, agreements with landlords, mortgagees and processors and other bailees, subordination and intercreditor agreements and other agreements, instruments and documents, in each case in form and substance reasonably acceptable to Agent, as Agent may request from time to time to perfect, protect and maintain Agent's security interests in the Collateral, including the required priority thereof, and to fully carry out the transactions contemplated by the Loan Documents.

5.4. UCC Financing Statements. Each Loan Party Obligor authorizes Agent to file, transmit or communicate, as applicable, from time to time, UCC Financing Statements, along with amendments and modifications thereto, in all filing offices selected by Agent, listing such Loan Party Obligor as the Debtor and Agent as the Secured Party, and describing the collateral covered thereby in such manner as Agent may elect, including using descriptions such as "all personal property of debtor" or "all assets of debtor," or words of similar effect, in each case without such Loan Party Obligor's signature. Each Loan Party Obligor also hereby ratifies its authorization for Agent to have filed, in any filing office, any Financing Statements filed prior to the date hereof.

6. **CERTAIN PROVISIONS REGARDING ACCOUNTS, INVENTORY, COLLECTIONS AND APPLICATIONS OF PAYMENTS**.

6.1. Lock Boxes and Blocked Accounts. Each Loan Party Obligor hereby represents and warrants that all Deposit Accounts and all other depositary and other accounts maintained by each Loan Party Obligor as of the Closing Date are described in Section 3 of the Perfection Certificate, which description includes for each such account the name of the Loan Party Obligor maintaining the account, the name of the financial institution at which the account is maintained, the account number and the purpose of the account. After the Closing Date, no Loan Party Obligor shall open any new Deposit Account or any other depositary or other account (i) unless such account is a Restricted Account, without the prior written consent of Agent, not to be unreasonably withheld, conditioned or delayed, and (ii) without updating Section 3 of the Perfection Certificate to reflect such Deposit Account or other account. No Deposit Account or other account of any Loan Party Obligor shall at any time constitute a Restricted Account other than accounts expressly indicated on Section 3 of the Perfection Certificate as being Restricted Accounts (and each Loan Party Obligor hereby represents and warrants that each such account shall at all times meet the requirements set forth in the definition of Restricted Account to qualify as a Restricted Account). Each Loan Party Obligor will, at its expense, establish (and revise from time to time as Agent may require) procedures acceptable to Agent, in Agent's Permitted Discretion, for the collection of checks, wire transfers and all other proceeds of all of such Loan Party Obligor's Accounts and other Collateral (***"Collections"***), which shall include (a) directing all Account Debtors to send all Account proceeds directly to a post office box designated by Agent either in the name of such Loan Party Obligor (but as to which Agent has exclusive access) or, at Agent's option, in the name of Agent (a ***"Lock Box"***) and (b) depositing all Collections received by such Loan Party Obligor into one or more bank accounts maintained in the name of such Loan Party Obligor (but as to which Agent has exclusive access) or, at Agent's option, in the name of Agent (each, a ***"Blocked Account"***), under an arrangement acceptable to Agent with a depository bank acceptable to Agent in its Permitted Discretion, pursuant to which all funds deposited into each Blocked Account are to be transferred to Agent in such manner, and with such frequency, as Agent shall specify, and/or (c) a combination of the foregoing. Each Loan Party Obligor agrees to execute, and to cause its depository banks and other account holders to execute, such Lock Box and Blocked Account control agreements and other documentation as Agent shall require from time to time in connection with the foregoing, all in form and substance acceptable to Agent, and in any event such arrangements and documents must be in place on the date hereof with respect to accounts in existence on the date hereof, or prior to any such account being opened with respect to any such account opened after the date hereof, in each case excluding Restricted Accounts. Prior to the Closing Date, Borrowers shall deliver to Agent a complete and executed Authorized Accounts form regarding each Borrower's operating account(s) into which the proceeds of Loans are to be paid in the form of Exhibit D annexed hereto.

6.2. Application of Payments. All amounts paid to or received by Agent in respect of monetary Obligations, from whatever source (whether from any Borrower or any other Loan Party Obligor pursuant to such other Loan Party Obligor's guaranty of the Obligations, any realization upon any Collateral or otherwise) shall be applied by Agent to the Obligations in such order as Agent may elect, and absent such election shall be applied as follows:

(i) **FIRST**, to reimburse Agent for all out-of-pocket costs and expenses, and all indemnified losses, incurred by Agent which are reimbursable to Agent in accordance with this Agreement or any of the other Loan Documents;

(ii) **SECOND**, to any accrued but unpaid interest on any Protective Advances;

(iii) **THIRD**, to the outstanding principal of any Protective Advances;

(iv) **FOURTH**, to any accrued but unpaid fees owing to Agent and Lenders under this Agreement and/or any other Loan Documents;

(v) **FIFTH**, to any unpaid accrued interest on the Obligations;

(vi) **SIXTH**, to the outstanding principal of the Loans; and

(vii) **SEVENTH**, to the payment of any other outstanding Obligations; and after payment in full in cash of all of the outstanding monetary Obligations, any further amounts paid to or received by Agent in respect of the Obligations (so long as no monetary Obligations are outstanding) shall be paid over to Borrowers or such other Person(s) as may be legally entitled thereto.

For purposes of determining the Borrowing Base, such amounts will be credited to the Loan Account and the Collateral balances to which they relate upon Agent's receipt of an advice from Agent's Bank (set forth in Section 5 of Annex I) that such items have been credited to Agent's account at Agent's Bank (or upon Agent's deposit thereof at Agent's Bank in the case of payments received by Agent in kind), in each case subject to final payment and collection. However, for purposes of computing interest on the Obligations, such items shall be deemed applied by Agent three (3) Business Days after Agent 's receipt of advice of deposit thereof at Agent's Bank.

6.3. Notification; Verification. Agent or its designee may, from time to time: (a) whether or not a Default or Event of Default has occurred, verify directly with the Account Debtors of the Loan Party Obligors (or by any manner and through any medium Agent considers advisable) the validity, amount and other matters relating to the Accounts and Chattel Paper of the Loan Party Obligors, by means of mail, telephone or otherwise, either in the name of the applicable Loan Party Obligor or Agent or such other name as Agent may choose; (b) whether or not a Default or Event of Default has occurred, notify Account Debtors of the Loan Party Obligors that Agent has a security interest in the Accounts of the Loan Party Obligors and direct such Account Debtors to make payment thereof directly to Agent; each such notification to be sent on the letterhead of such Loan Party Obligor and substantially in the form of Exhibit E annexed hereto; and (c) following the occurrence and during the continuance of a Default or Event of Default, demand, collect or enforce payment of any Accounts and Chattel Paper (but without any duty to do so) and, in furtherance of the foregoing, each Loan Party Obligor hereby authorizes Account Debtors to make payments directly to Agent and to rely on notice from Agent without further inquiry. Agent may on behalf of each Loan Party Obligor endorse all items of payment received by Agent that are payable to such Loan Party Obligor for the purposes described above.

6.4. Power of Attorney.

Without limiting any of Agent's and the other Lenders' other rights under this Agreement or any other Loan Document, each Loan Party Obligor hereby grants to Agent an irrevocable power of attorney, coupled with an interest, authorizing and permitting Agent (acting through any of its officers, employees, attorneys or agents), at Agent's option but without obligation, with or without notice to such Loan Party Obligor, and at each Loan Party Obligor's expense, to do any or all of the following, in such Loan Party Obligor's name or otherwise:

(a) at any time at which an Event of Default has occurred or is continuing, (i) execute on behalf of such Loan Party Obligor any documents that Agent may, in its sole discretion, deem advisable in order to perfect, protect and maintain Agent's security interests, and priority thereof, in the Collateral and to fully consummate all the transactions contemplated by this Agreement and the other Loan Documents (including such Financing Statements and continuation Financing Statements, and amendments or other modifications thereto, as Agent shall deem necessary or appropriate) and to notify Account Debtors of the Loan Party Obligors in the manner contemplated by Section 6.3, (ii) endorse such Loan Party Obligor's name on all checks and other forms of remittances received by Agent, (iii) pay any sums required on account of such Loan Party Obligor's taxes or to secure the release of any Liens therefor, (iv) pay any amounts necessary to obtain, or maintain in effect, any of the insurance described in Section 7.14, (v) receive and otherwise take control in any manner of any cash or non-cash items of payment or Proceeds of Collateral, (vi) receive, open and dispose of all mail addressed to such Loan Party Obligor at any post office box or lockbox maintained by Agent for such Loan Party Obligor or at any other business premises of Agent and (vii) endorse or assign to Agent on such Loan Party Obligor's behalf any portion of Collateral evidenced by an agreement, Instrument or Document if an endorsement or assignment of any such items is not made by such Loan Party Obligor pursuant to Section 5.2; and

(b) at any time, after the occurrence and during the continuance of an Event of Default, (i) execute on behalf of such Loan Party Obligor any document exercising, transferring or assigning any option to purchase, sell or otherwise dispose of or lease (as lessor or lessee) any real or personal property which is part of the Collateral or in which Agent has an interest, (ii) execute on behalf of such Loan Party Obligor any invoices relating to any Accounts, any draft against any Account Debtor, any proof of claim in bankruptcy, any notice of Lien or claim, and any assignment or satisfaction of mechanic's, materialman's or other Lien, (iii) execute on behalf of such Loan Party Obligor any notice to any Account Debtor, (iv) pay, contest or settle any Lien, charge, encumbrance, security interest and adverse claim in or to any of the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same, (v) grant extensions of time to pay, compromise claims relating to, and settle Accounts, Chattel Paper and General Intangibles for less than face value and execute all releases and other documents in connection therewith, (vi) settle and adjust, and give releases of, any insurance claim that relates to any of the Collateral and obtain payment therefor, (vii) instruct any third party having custody or control of any Collateral or books or records belonging to, or relating to, such Loan Party Obligor to give Agent the same rights of access and other rights with respect thereto as Agent has under this Agreement or any other Loan Document, (viii) change the address for delivery of such Loan Party Obligor's mail, (ix) vote any right or interest with respect to any Investment Property, and (x) instruct any Account Debtor to make all payments due to any Loan Party Obligor directly to Agent.

Any and all sums paid, and any and all costs, expenses, liabilities, obligations and reasonable attorneys' fees (internal and external counsel) of Agent with respect to the foregoing shall be added to and become part of the Obligations, shall be payable on demand, and shall bear interest at a rate equal to the highest interest rate applicable to any of the Obligations. Each Loan Party Obligor agrees that Agent's rights under the foregoing power of attorney and any of Agent's other rights under this Agreement or the other Loan Documents shall not be construed to indicate that Agent or any Lender is in control of the business, management or properties of any Loan Party Obligor.

6.5. Disputes. Each Loan Party Obligor shall promptly notify Agent of all disputes or claims relating to its Accounts and Chattel Paper in which the amount in dispute exceeds $100,000. Each Loan Party Obligor agrees that it will not, without Agent's prior written consent, compromise or settle any of its Accounts or Chattel Paper for less than the full amount thereof, grant any extension of time for payment of any of its Accounts or Chattel Paper, release (in whole or in part) any Account Debtor or other person liable for the payment of any of its Accounts or Chattel Paper or grant any credits, discounts, allowances, deductions, return authorizations or the like with respect to any of its Accounts or Chattel Paper; except (unless otherwise directed by Agent during the existence of a Default or an Event of Default) such Loan Party Obligor may take any of such actions in the Ordinary Course of Business consistent with past practices, provided that Borrower Representative promptly reports the same to Agent.

6.6. Invoices. At Agent's request, each Loan Party Obligor will cause all invoices and statements that it sends to Account Debtors or other third parties to be marked and authenticated, in a manner reasonably satisfactory to Agent, to reflect Agent's security interest therein and payment instructions (including, but not limited to, in a manner to meet the requirements of Section 9-404(a)(2) of the UCC).

6.7. Inventory.

(a) **Returns.** No Loan Party Obligor will accept returns of any Inventory from any Account Debtor except in the Ordinary Course of Business. In the event the value of returned Inventory in any one calendar month exceeds $100,000 (collectively for all Loan Party Obligors), Borrower Representative will immediately notify Agent (which notice shall specify the value of all such returned Inventory, the reasons for such returns, and the locations and the condition of such returned Inventory).

(b) **Third Party Locations.** No Loan Party Obligor will, without Agent's prior written consent, at any time, store any Inventory with any warehouseman or other third party except in accordance with Section 7.3.

(c) **Sale on Return, etc.** No Loan Party Obligor will, without Agent's prior written consent, at any time, sell any Inventory on a sale-or-return, guaranteed sale, consignment, or other contingent basis.

(d) **Fair Labor Standards Act.** Each Loan Party Obligor represents, warrants and covenants that, at all times, all of the Inventory of each Loan Party Obligor has been, at all times will be, produced only in accordance in all material respects with the Fair Labor Standards Act of 1938 and all rules, regulations and orders promulgated thereunder.

(e) **Eligibility.** As of each date reported by any Borrower, all Inventory which such Borrower has then reported to Agent as then being Eligible Inventory comply in all respects with the criteria for eligibility set forth in the definition of Eligible Inventory.

7. REPRESENTATIONS, WARRANTIES AND AFFIRMATIVE COVENANTS.

To induce Agent and the Lenders to enter into this Agreement, each Loan Party Obligor represents, warrants and covenants as follows (it being understood and agreed that (a) each such representation and warranty (i) will be made as of the date hereof and be deemed remade as of each date on which any Loan is made (except to the extent any such representation or warranty expressly relates only to any earlier or specified date, in which case such representation or warranty will be made as of such earlier or specified date) and (ii) shall not be affected by any knowledge of, or any investigation by, Agent or any Lender and (b) each such covenant shall continuously apply with respect to all times commencing on the date hereof and continuing until the Termination Date):

7.1. Existence and Authority. Each Loan Party is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization (which jurisdiction is identified in Section 1(a) of the Perfection Certificate) and is qualified to do business in each jurisdiction in which the operation of its business requires that it be qualified (which each such jurisdiction is identified in Section 1(a) of the Perfection Certificate) or, if such Loan Party is not so qualified, such Loan Party may cure any such material failure without losing any of its rights, incurring any liens or material penalties, or otherwise affecting Agent's rights. Each Loan Party has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby. The execution, delivery and performance by each Loan Party Obligor of this Agreement and all of the other Loan Documents to which such Loan Party Obligor is a party have been duly and validly authorized, do not violate such Loan Party Obligor's Governing Documents or any law or any material agreement or instrument or any court order which is binding upon any Loan Party or its property, do not constitute grounds for acceleration of any Indebtedness or obligation under any material agreement or instrument which is binding upon any Loan Party or its property, and do not require the consent of any Person. Each Loan Party Obligor shall reserve and maintain all of its leases, licenses, permits, franchises qualifications, and rights that are necessary to the operation of the Loan Parties' business. No Loan Party is required to obtain any government approval, consent, or authorization from, or to file any declaration or statement with, any Governmental Authority in connection with or as a condition to the execution, delivery or performance of any of the Loan Documents. This Agreement and each of the other Loan Documents have been duly executed and delivered by, and are enforceable against, each of the Loan Party Obligors who have signed them, in accordance with their respective terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, moratorium, reorganization and other similar laws relating to or affecting creditors' rights generally and general principles of equity (whether considered in a proceeding in equity or law). Section 1(f) of the Perfection Certificate sets forth the ownership of each Borrower and its Subsidiaries.

7.2. Names; Trade Names and Styles. The name of each Loan Party Obligor set forth on Section 1(b) of the Perfection Certificate is its correct and complete legal name as of the date hereof, and no Loan Party Obligor has used any other name at any time in the past five years, or at any time will use any other name, in any tax filing made in any jurisdiction. Listed in Section 1(b) of the Perfection Certificate are all prior names used by each Loan Party Obligor at any time in the five years preceding the Closing Date and all of the present and prior trade names used by any Loan Party Obligor at any time in the five years preceding the Closing Date. Borrower Representative shall give Agent at least ten (10)_ Business Days' prior written notice (and will deliver an updated Section 1(b) of the Perfection Certificate to reflect the same) before it or any other Loan Party Obligor changes its legal name or does business under any other name.

7.3. Title to Collateral; Third Party Locations; Permitted Liens. Each Loan Party Obligor has, and at all times will continue to have, good and marketable title to all of the Collateral. The Collateral now is, and at all times will remain, free and clear of any and all Liens, except for Permitted Liens. Agent now has, and will at all times continue to have, a first-priority perfected and enforceable security interest in all of the Collateral, subject only to the Permitted Liens, and each Loan Party Obligor will at all times defend Agent and the Collateral against all claims of others. None of the Collateral which is Equipment is, or will at any time, be affixed to any real property in such a manner, or with such intent, as to become a fixture. Except for leases or subleases as to which Borrowers have used commercially reasonable efforts to deliver to Agent a landlord's waiver in form and substance reasonably satisfactory to Agent (unless waived by Agent in its sole discretion; ***provided***, that such waiver may be conditioned upon Agent establishing a rent or other similar Reserve satisfactory to Agent in its sole discretion), no Loan Party Obligor is or will be a lessee or sublessee under any real property lease or sublease. Except for warehouses as to which Borrowers have used commercially reasonable efforts to deliver to Agent a warehouseman's waiver in form and substance reasonably satisfactory to Agent (unless waived by Agent

in its sole discretion; ***provided***, that such waiver may be conditioned upon Agent establishing a rent or other similar Reserve satisfactory to Agent in its sole discretion), no Loan Party Obligor is or will at any time be a bailor of any Goods at any warehouse or otherwise. Prior to causing or permitting any Collateral to at any time be located upon premises in which any third party (including any landlord, warehouseman, or otherwise) has an interest, Borrower Representative shall notify Agent and the applicable Loan Party Obligor shall use commercially reasonable efforts to cause each such third party to execute and deliver to Agent, in form and substance reasonably acceptable to Agent, such waivers, collateral access agreements, and subordinations as Agent shall specify, so as to, among other things, ensure that Agent's rights in the Collateral are, and will at all times continue to be, superior to the rights of any such third party and that Agent has access to such Collateral. Each applicable Loan Party Obligor will keep at all times in full force and effect, and will comply at all times with all the terms of, any lease of real property where any of the Collateral now or in the future may be located if termination or noncompliance could reasonably be expected to have a Material Adverse Effect.

7.4. Accounts and Chattel Paper. As of each date reported by Borrowers, all Accounts which any Borrower has then reported to Agent as then being Eligible Accounts comply in all respects with the criteria for eligibility set forth in the definition of Eligible Accounts. All such Accounts, and all Chattel Paper owned by any Loan Party Obligor, are genuine and in all respects what they purport to be, arise out of a completed, bona fide and unconditional and non-contingent sale and delivery of goods or rendition of services by a Borrower in the Ordinary Course of Business and in accordance with the terms and conditions of all purchase orders, contracts or other documents relating thereto, each Account Debtor thereunder had the capacity to contract at the time any contract or other document giving rise to such Accounts and Chattel Paper were executed, and the transactions giving rise to such Accounts and Chattel Paper comply with all applicable laws and governmental rules and regulations.

7.5. Electronic Chattel Paper. To the extent that any Loan Party Obligor obtains or maintains any Electronic Chattel Paper, such Loan Party Obligor shall at all times create, store and assign the record or records comprising the Electronic Chattel Paper in such a manner that (a) a single authoritative copy of the record or records exists which is unique, identifiable and except as otherwise provided below, unalterable, (b) the authoritative copy identifies Agent as the assignee of the record or records, (c) the authoritative copy is communicated to and maintained by Agent or its designated custodian, (d) copies or revisions that add or change an identified assignee of the authoritative copy can only be made with the participation of Agent, (e) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy and (f) any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

7.6. Capitalization; Investment Property.

(a) No Loan Party, directly or indirectly, owns, or shall at any time own, any capital stock or other equity interests of any other Person except as set forth in Sections 1(f) and 1(g) of the Perfection Certificate (as may be updated from time to time upon the acquisition of equity interest to the extent not prohibited by this Agreement), which Sections list all Investment Property owned by each Loan Party Obligor.

(b) None of the Pledged Equity has been issued or otherwise transferred in violation of the Securities Act, or other applicable laws of any jurisdiction to which such issuance or transfer may be subject. The Pledged Equity pledged by each Loan Party Obligor hereunder constitutes all of the issued and outstanding equity interests of each Issuer owned by such Loan Party Obligor.

(c) All of the Pledged Equity has been duly and validly issued and is fully paid and non-assessable, and the holders thereof are not entitled to any preemptive, first refusal or other similar rights. There are no outstanding options, warrants or similar agreements, documents, or instruments with respect to any of the Pledged Equity.

(d) Each Loan Party Obligor has caused each Issuer to amend or otherwise modify its Governing Documents, books, records, and related agreements, documents and instruments, as applicable, to reflect the rights and interests of Agent hereunder, and to the extent required to enable and empower Agent to exercise and enforce its rights and remedies hereunder in respect of the Pledged Equity and other Investment Property.

(e) Each Loan Party Obligor will take any and all actions required or requested by Agent, from time to time, to (i) cause Agent to obtain exclusive control of any Investment Property in a manner reasonably acceptable to Agent and (ii) obtain from any Issuers and such other Persons as Agent shall specify, for the benefit of Agent, written confirmation of Agent's exclusive control over such Investment Property and take such other actions as Agent may request to perfect Agent's security interest in any Investment Property. For purposes of this Section 7.6, Agent shall have exclusive control of Investment Property if (A) pursuant to Section 5.2, such Investment Property consists of certificated securities and the applicable Loan Party Obligor delivers such certificated securities to Agent (with all appropriate endorsements), (B) such Investment Property consists of uncertificated securities and either (x) the applicable Loan Party Obligor delivers such uncertificated securities to Agent or (y) the Issuer thereof agrees, pursuant to documentation in form and substance reasonably satisfactory to Agent, that it will comply with instructions originated by Agent without further consent by the applicable Loan Party Obligor and (C) such Investment Property consists of security entitlements and either (x) Agent becomes the entitlement holder thereof or (y) the appropriate securities intermediary agrees, pursuant to documentation in form and substance reasonably satisfactory to Agent, that it will comply with entitlement orders originated by Agent without further consent by the applicable Loan Party Obligor. Each Loan Party Obligor that is a limited liability company or a partnership hereby represents and warrants that it has not, and at no time will, elect pursuant to the provisions of Section 8-103 of the UCC to provide that its equity interests are securities governed by Article 8 of the UCC.

(f) No Loan Party owns, or has any present intention of acquiring, any ***"margin security"*** or any ***"margin stock"*** within the meaning of Regulations T, U or X of the Board of Governors of the Federal Reserve System (herein called ***"margin security"*** and ***"margin stock"***). None of the proceeds of the Loans will be used, directly or indirectly, for the purpose of purchasing or carrying, or for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry, any margin security or margin stock or for any other purpose which might constitute the transactions contemplated hereby a ***"purpose credit"*** within the meaning of said Regulations T, U or X, or cause this Agreement to violate any other regulation of the Board of Governors of the Federal Reserve System or the Exchange Act, or any rules or regulations promulgated under such statutes.

(g) No Loan Party Obligor shall vote to enable, or take any other action to cause or to permit, any Issuer to issue any Pledged Equity to any person other than an Obligor, or to issue any other securities or interests convertible into or granting the right to purchase or exchange for any Pledged Equity.

(h) No Loan Party Obligor shall take, or fail to take, any action that would in any manner impair the value or the enforceability of Agent's Lien on any of the Investment Property, or any of Agent's rights or remedies under this Agreement or any other Loan Document with respect to any of the Investment Property.

(i) In the case of any Loan Party Obligor which is an Issuer, such Issuer agrees that the terms of Section 11.3(g)(iii) shall apply to such Loan Party Obligor with respect to all actions that may be required of it pursuant to such Section 11.3(g)(iii) regarding the Investment Property issued by it.

(j) Each Loan Party Obligor has made all capital contributions heretofore required to be made to the respective Issuer in respect of any Investment Property constituting limited liability company interests and no additional capital contributions are required to be made in respect of the respective limited liability company interests.

7.7. Commercial Tort Claims. No Loan Party Obligor has any Commercial Tort Claims for amounts exceeding $100,000 pending other than those listed in Section 2 of the Perfection Certificate, and each Loan Party Obligor shall promptly (but in any case, no later than five Business Days thereafter) notify Agent in writing upon incurring or otherwise obtaining such Commercial Tort Claim after the date hereof against any third party. Such notice shall constitute such Loan Party Obligor's authorization to amend such Section 2 to add such Commercial Tort Claim and shall automatically be deemed to amend such Section 2 to include such Commercial Tort Claim.

7.8. Jurisdiction of Organization; Location of Collateral. Sections 1(c) and 1(d) of the Perfection Certificate set forth (a) each place of business of each Loan Party Obligor (including its chief executive office), (b) all locations where all Inventory, Equipment, and other Collateral owned by each Loan Party Obligor (other than Collateral in-transit) is kept and (c) whether each such Collateral location and place of business (including each Loan Party Obligor's chief executive office) is owned by a Loan Party or leased (and if leased, specifies the complete name and notice address of each lessor). No Collateral is located outside the United States or in the possession of any lessor, bailee, warehouseman or consignee, except as expressly indicated in Sections 1(c) and 1(d) of the Perfection Certificate. Each Loan Party Obligor will give Agent at ten (10) Business Days' prior written notice before changing its jurisdiction of organization, opening any additional place of business, changing its chief executive office or the location of its books and records, or moving any of the Collateral to a location other than one of the locations set forth in Sections 1(c) and 1(d) of the Perfection Certificate, and will execute and deliver all Financing Statements, landlord waivers, collateral access agreements, mortgages, and all other agreements, instruments and documents which Agent shall require in connection therewith prior to making such change, all in form and substance reasonably satisfactory to Agent. Without the prior written consent of Agent, no Loan Party Obligor will at any time allow any Collateral to be located outside of the continental United States of America.

7.9. Financial Statements and Reports; Solvency.

(a) All financial statements delivered to Agent and Lenders by or on behalf of any Loan Party have been, and at all times will be, prepared in conformity with GAAP and completely and fairly reflect in all material respects the financial condition of each Loan Party covered thereby, at the times and for the periods therein stated.

(b) As of the date hereof (after giving effect to the Loans to be made on the date hereof, and the consummation of the transactions contemplated hereby), and as of each other day that any Loan is made (after giving effect thereof), (i) the fair saleable value of all of the assets and properties of each Loan Party, individually, exceeds the aggregate liabilities and Indebtedness of each such Loan Party (including contingent liabilities), (ii) each Loan Party, individually, is solvent and able to pay its debts as they come due, (iii) each Loan Party, individually, has sufficient capital to carry on its business as now conducted and as proposed to be conducted, (iv) no Loan Party is contemplating either the liquidation of all or any substantial portion of its assets or property, or the filing of any petition under any state, federal, or other bankruptcy or insolvency law and (v) no Loan Party has knowledge of any Person contemplating the filing of any such petition against any Loan Party.

7.10. Tax Returns and Payments; Pension Contributions. Each Loan Party has timely filed all tax returns and reports required by applicable law, has timely paid all applicable Taxes due and payable by such Loan Party and will timely pay all such items in the future as they became due and payable, except to the extent contested in accordance with this Section 7.10. Each Loan Party may, however, defer payment of any contested taxes; ***provided*** , that such Loan Party (a) in good faith contests its obligation to pay such Taxes by appropriate proceedings promptly and diligently instituted and conducted, (b) notifies Agent in writing of the commencement of, and any material development in, the proceedings, (c) posts bonds or takes any other steps required to keep the contested taxes from becoming a Lien upon any of the Collateral and (d) maintains adequate reserves therefor in conformity with GAAP. No Loan Party is aware of any claims or adjustments proposed for any prior tax years that could result in additional taxes becoming due and payable by any Loan Party. Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other applicable laws. Each Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter or opinion letter from the Internal Revenue Service to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the Internal Revenue Service. To the best knowledge of each Loan Party, nothing has occurred that would prevent or cause the loss of such tax-qualified status. There are no pending or, to the best knowledge of any Loan Party, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to result in liabilities individually or in the aggregate in excess of $200,000 of any Loan Party. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in liabilities individually or in the aggregate of any Loan Party in excess of $200,000. No ERISA Event has occurred, and no Loan Party is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan, in each case that could reasonably be expected to result in liabilities individually or in the aggregate in excess of $200,000. Each Loan Party and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained, in each case except as could not reasonably be expected to result in liabilities individually or in the aggregate to the Loan Parties in excess of $200,000. As of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is sixty percent 60% or higher and no Loan Party knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below sixty percent 60% as of the most recent valuation date. No Loan Party or any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid, except as could not reasonably be expected to result in liabilities individually or in the aggregate to the Loan Parties in excess of $200,000. No Loan Party or any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA except as could not reasonably be expected to result in liabilities individually or in the aggregate to the Loan Parties in excess of $200,000. No Pension Plan has been terminated by the plan administrator thereof or by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan, except as could not reasonably be expected to result in liabilities individually or in the aggregate to the Loan Parties in excess of $200,000.

7.11. Compliance with Laws; Intellectual Property; Licenses.

(a) Each Loan Party has complied, and will continue at all times to comply, in all material respects with all provisions of all applicable laws and regulations, including those relating to the ownership of real or personal property, the conduct and licensing of each Loan Party's business, the payment and withholding of Taxes, ERISA and other employee matters, and safety and environmental matters.

(b) No Loan Party has received written notice of default or violation, or is in default or violation, with respect to any judgment, order, writ, injunction, decree, demand or assessment issued by any court or any federal, state, local, municipal or other Governmental Authority relating to any aspect of any Loan Party's business, affairs, properties or assets. No Loan Party has received written notice of or been charged with, or is, to the knowledge of any Loan Party, under investigation with respect to, any violation in any material respect of any provision of any applicable law.

(c) No Loan Party Obligor owns any registered Intellectual Property, except as set forth in Section 4 of the Perfection Certificate. Except as set forth in Section 4 of the Perfection Certificate, none of the registered Intellectual Property owned by any Loan Party Obligor is the subject of any licensing or franchise agreement pursuant to which such Loan Party Obligor is the licensor or franchisor. Each Loan Party Obligor shall promptly (but in any event within thirty (30) days thereafter) notify Agent in writing of any additional registered Intellectual Property rights acquired or arising after the Closing Date and shall submit to Agent a supplement to Section 4 of the Perfection Certificate to reflect such additional rights; ***provided***, that such Loan Party Obligor's failure to do so shall not impair Agent's security interest therein. Each Loan Party Obligor shall execute a separate security agreement granting Agent a security interest in such Intellectual Property (whether owned on the Closing Date or thereafter), in form and substance reasonably acceptable to Agent and suitable for registering such security interest in such Intellectual Property with the United States Patent and Trademark Office and/or United States Copyright Office, as applicable; ***provided***, that such Loan Party Obligor's failure to do so shall not impair Agent's security interest therein. Each Loan Party owns or has, and will at all times continue to own or have, the valid right to use all material patents, trademarks, copyrights, software, computer programs, equipment designs, network designs, equipment configurations, technology and other Intellectual Property used, marketed and sold in such Loan Party's business, and each Loan Party is in compliance, and will continue at all times to comply, in all material respects with all licenses, user agreements and other such agreements regarding the use of Intellectual Property. No Loan Party has any knowledge that, or has received any notice claiming that, any of such Intellectual Property infringes upon or violates in any material respect the rights of any other Person.

(d) Each Loan Party has and will continue at all times to have, all federal, state, local and other licenses and permits required to be maintained in connection with such Loan Party's business operations, and all such licenses and permits are valid and in full force and effect, except, in each case, as could not reasonably be expected to have a Material Adverse Effect. Each Loan Party has, and will continue at all times to have, complied with the requirements of such licenses and permits in all material respects, and has received no written notice of any pending or threatened proceedings for the suspension, termination, revocation or limitation thereof. No Loan Party is aware of any facts or conditions that could reasonably be expected to cause or permit any of such licenses or permits to be voided, revoked or withdrawn.

7.12. Litigation. Section 1(e) of the Perfection Certificate discloses all claims, proceedings, litigation or investigations pending or (to the best of each Loan Party Obligor's knowledge) threatened against any Loan Party as of the Closing Date. There is no claim, suit, litigation, proceeding or investigation pending or (to the best of each Loan Party Obligor's knowledge) threatened by or against or affecting any Loan Party in any court or before any Governmental Authority (or any basis therefor known to any Loan Party Obligor) which could reasonably be expected to result, either separately or in the aggregate, in liability in excess of $250,000 for the Loan Parties or in any Material Adverse Effect.

7.13. Use of Proceeds. All proceeds of all Loans shall be used by Borrowers solely with respect to Loans made on the Closing Date, (a) consummate and finance a portion of the Closing Date Merger, (b) to repay in full their Indebtedness owing to Citizens Bank and other lenders or lessors, (c) to pay the fees, costs, and expenses incurred in connection with this Agreement, the other Loan Documents, the Closing Date Merger Agreement and the transactions contemplated hereby and thereby, (d) for Borrowers' working capital purposes and (e) for such other purposes as specifically permitted pursuant to the terms of this Agreement. All proceeds of all Loans will be used solely for lawful business purposes.

7.14. Insurance.

(a) Each Loan Party will at all times carry property, liability and other insurance, with insurers reasonably acceptable to Agent, in such form and amounts, and with such deductibles and other provisions, as Agent shall reasonably require, but in any event, in such amounts and against such risks as is usually carried by companies engaged in similar business and owning similar properties in the same general areas in which such Loan Party operates, and each Borrower will provide Agent with evidence reasonably satisfactory to Agent that such insurance is, at all times, in full force and effect. A true and complete listing of such insurance as of the Closing Date, including issuers, coverages and deductibles, is set forth in Section 5 of the Perfection Certificate. Each property insurance policy shall name Agent as lender loss payee and mortgagee, if applicable, and shall contain a lender's loss payable endorsement, and a mortgagee endorsement, if applicable, and each liability insurance policy shall name Agent as an additional insured, and each business interruption insurance policy shall be collaterally assigned to Agent, all in form and substance reasonably satisfactory to Agent. All policies of insurance shall provide that they may not be cancelled or changed without at least thirty (30) days' (or, with respect to nonpayment of premiums, ten (10) days') prior written notice to Agent, and shall otherwise be in form and substance reasonably satisfactory to Agent. Borrower Representative shall advise Agent promptly of any policy cancellation, non-renewal, reduction, or material amendment with respect to any insurance policies maintained by any Loan Party or any receipt by any Loan Party of any notice from any insurance carrier regarding any intended or threatened cancellation, non-renewal, reduction or material amendment of any of such policies, and Borrower Representative shall promptly deliver to Agent copies of all notices and related documentation received by any Loan Party in connection with the same.

(b) Borrower Representative shall deliver to Agent no later than five (5) Business Days prior to the expiration of any then current insurance policies, insurance certificates evidencing renewal of all such insurance policies required by this Section 7.14. Borrower Representative shall deliver to Agent, upon Agent 's request, certificates evidencing such insurance coverage in such form as Agent shall specify.

(c) **IF ANY LOAN PARTY AT ANY TIME OR TIMES HEREAFTER SHALL FAIL TO OBTAIN OR MAINTAIN ANY OF THE POLICIES OF INSURANCE REQUIRED ABOVE (AND PROVIDE EVIDENCE THEREOF TO AGENT) OR TO PAY ANY PREMIUM RELATING THERETO, THEN AGENT, WITHOUT WAIVING OR RELEASING ANY OBLIGATION OR DEFAULT BY ANY BORROWER HEREUNDER, MAY (BUT SHALL BE UNDER NO OBLIGATION TO) OBTAIN AND MAINTAIN SUCH POLICIES OF INSURANCE AND PAY SUCH PREMIUMS AND TAKE SUCH OTHER ACTIONS WITH RESPECT THERETO AS AGENT DEEMS ADVISABLE UPON NOTICE TO BORROWER REPRESENTATIVE. SUCH INSURANCE, IF OBTAINED BY AGENT, MAY, BUT NEED NOT, PROTECT ANY LOAN PARTY'S INTERESTS OR PAY ANY CLAIM MADE BY OR AGAINST ANY LOAN PARTY WITH RESPECT TO THE COLLATERAL. SUCH INSURANCE MAY BE MORE EXPENSIVE THAN THE COST OF INSURANCE ANY LOAN PARTY MAY BE ABLE TO OBTAIN ON ITS OWN AND MAY BE CANCELLED ONLY UPON THE APPLICABLE LOAN PARTY PROVIDING EVIDENCE THAT IT HAS OBTAINED THE INSURANCE AS REQUIRED ABOVE. ALL SUMS DISBURSED BY AGENT IN CONNECTION WITH ANY SUCH ACTIONS, INCLUDING COURT COSTS, EXPENSES, OTHER CHARGES RELATING THERETO AND REASONABLE INTERNAL AND EXTERNAL ATTORNEY COSTS, SHALL CONSTITUTE LOANS HEREUNDER, SHALL BE PAYABLE ON DEMAND BY BORROWERS TO AGENT AND, UNTIL PAID, SHALL BEAR INTEREST AT THE HIGHEST RATE THEN APPLICABLE TO LOANS HEREUNDER.**

7.15. Financial, Collateral and Other Reporting / Notices. Each Loan Party has kept, and will at all times keep, adequate records and books of account with respect to its business activities and the Collateral in which proper entries are made in accordance with GAAP reflecting all its financial transactions. The information provided in the Perfection Certificate is correct and complete in all material respects . Each Loan Party Obligor will cause to be prepared and furnished to Agent, in each case in a form and in such detail as is acceptable to Agent the following items (the items to be provided under this Section 7.15 shall be delivered to Agent by posting on ABLSoft or, if requested by Agent, by another form of Approved Electronic Communication or in writing):

(a) **Annual Financial Statements.** Not later than ninety (90) days after the close of each Fiscal Year, unqualified, audited financial statements of each Loan Party as of the end of such Fiscal Year, including balance sheet, income statement, and statement of cash flow for such Fiscal Year, in each case on a consolidated and consolidating basis, certified by a firm of independent certified public accountants of recognized standing selected by Borrowers but reasonably acceptable to Agent, together with a copy of any management letter issued in connection therewith. Concurrently with the delivery of such financial statements, Borrower Representative shall deliver to Agent a Compliance Certificate, indicating whether (i) Borrowers are in compliance with each of the covenants specified in Section 9, and setting forth a detailed calculation of such covenants and (ii) any Default or Event of Default is then in existence;

(b) **Interim Financial Statements.** Not later than thirty (30) days after the end of each month hereafter, including the last month of each Fiscal Year, unaudited interim financial statements of each Loan Party as of the end of such month and of the portion of such Fiscal Year then elapsed, including balance sheet, income statement, statement of cash flow, and results of their respective operations during such month and the then-elapsed portion of the Fiscal Year, together with comparative figures for the same periods in the immediately preceding Fiscal Year and the corresponding figures from the budget for the Fiscal Year covered by such financial statements, in each case on a consolidated and consolidating basis, certified by the principal financial officer of Borrower Representative as prepared in accordance with GAAP and fairly presenting the consolidated financial position and results of operations (including management discussion and analysis of such results) of each Loan Party for such month and period subject only to changes from ordinary course year-end audit adjustments and except that such statements need not contain footnotes. Concurrently with the delivery of such financial statements, Borrower Representative shall deliver to Agent a Compliance Certificate, indicating whether (i) Borrowers are in compliance with each of the covenants specified in Section 9, and setting forth a detailed calculation of such covenants, and (ii) any Default or Event of Default is then in existence;

(c) **Borrowing Base / Collateral Reports / Insurance Certificates / Perfection Certificates / Other Items.** The items described on Annex II hereto by the respective dates set forth therein.

(d) **Projections, Etc.** Not later than (i) thirty (30) days after the end of each Fiscal Year, a draft of the monthly business projections, and (ii) ninety (90) days after the end of each Fiscal Year, the final monthly business projections, in each case, for the following Fiscal Year for the Loan Parties on a consolidated and consolidating basis, which projections shall include for each such period Borrowing Base projections, profit and loss projections, balance sheet projections, income statement projections and cash flow projections;

(e) **Shareholder Reports, Etc.** Promptly after the sending or filing thereof, as the case may be, copies of any proxy statements, financial statements or reports which each Loan Party has made available to its shareholders and copies of any regular, periodic and special reports or registration statements which any Loan Party files with the Securities and Exchange Commission or any Governmental Authority which may be substituted therefor, or any national securities exchange;

(f) **ERISA Reports.** Copies of any annual report to be filed pursuant to the requirements of ERISA in connection with each plan subject thereto promptly upon request by Agent and in addition, each Loan Party shall promptly notify Agent upon having knowledge of any ERISA Event; and

(g) **Tax Returns.** Each federal and state income tax return filed by any Loan Party or Other Obligor promptly (but in no event later than thirty (30) days following the filing of such return), together with such supporting documentation as is supplied to the applicable tax authority with such return and proof of payment of any amounts owing with respect to such return.

(h) **Notification of Certain Changes**. Promptly (and in no case later than the earlier of (i) three Business Days after the occurrence of any of the following and (ii) such other date that such information is required to be delivered pursuant to this Agreement or any other Loan Document) notification to Agent in writing of (A) the occurrence of any Default or Event of Default, (B) the occurrence of any event that has had, or may have, a Material Adverse Effect, (C) any change in any Loan Party's chief executive officer or chief financial officer or directors, (D) any investigation, action, suit, proceeding or claim (or any material development with respect to any existing investigation, action, suit, proceeding or claim) relating to any Loan Party, any officer or director of a Loan Party or the Collateral involving amounts exceeding $250,000 or which may result in a Material Adverse Effect, (E) any material loss or damage to the Collateral, (F) any event or the existence of any circumstance that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect, any Default, or any Event of Default, or which would make any representation or warranty previously made by any Loan Party to Agent untrue in any material respect or constitute a material breach if such representation or warranty was then being made, (G) any actual or alleged breaches by a Loan Party of any Material Contract giving rise to a claim involving amounts exceeding $200,000, or termination or written threat to terminate any Material Contract or any material amendment to or modification of a Material Contract, which could reasonably be expected to have a Material Adverse Effect and (H) any change in any Loan Party's certified independent accountant. In the event of each such notice under this Section 7.15(h), Borrower Representative shall give notice to Agent of the action or actions that each Loan Party has taken, is taking, or proposes to take with respect to the event or events giving rise to such notice obligation.

(i) **Other Information**. Promptly upon request, such other data and information (financial and otherwise) as Agent, from time to time, may reasonably request, bearing upon or related to the Collateral or each Loan Party's and each Other Obligor's business or financial condition or results of operations.

7.16. Litigation Cooperation. Should any third-party suit, regulatory action, or any other judicial, administrative, or similar proceeding be instituted by or against Agent or any Lender with respect to any Collateral or in any manner relating to any Loan Party, this Agreement, any other Loan Document or the transactions contemplated hereby, each Loan Party Obligor shall, without expense to Agent or any Lender, make available each Loan Party, such Loan Party's officers, employees and agents, and any Loan Party's books and records, without charge, to the extent that Agent or such Lender may deem them reasonably necessary in order to prosecute or defend any such suit or proceeding.

7.17. Maintenance of Collateral, Etc. Each Loan Party Obligor will maintain all of the Collateral in good working condition, ordinary wear and tear excepted, and no Loan Party Obligor will use the Collateral for any unlawful purpose.

7.18. Material Contracts. Except as expressly disclosed in Section 1(h) of the Perfection Certificate, as of the Closing Date no Loan Party is (a) a party to any contract which has had or could reasonably be expected to have a Material Adverse Effect or (b) in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in (x) any contract to which it is a party or by which any of its assets or properties is bound, which default, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or result in liabilities in excess of $200,000 or (y) any Material Contract. Except for the contracts and other agreements listed in Section 1(h) of the Perfection Certificate, no Loan Party is party, as of the Closing Date, to any (i) collective bargaining, works council, shop, enterprise or recognition agreement or other Contract with any Union, (ii) any employment agreement, (iii) contract relating to (A) Indebtedness, (B) the PPP Loan or (C) the mortgaging, pledging or otherwise placing of an Lien (other than Permitted Liens) on any Loan Party's assets, (iv) lease or agreement under which it is the lessee of, or holds or operates any personal property owned by any other party, or lease or agreement under which it is the lessor of or permits any third party to hold or operate any Loan Party property, real or personal, (v) contract, other than purchase orders entered into in the Ordinary Course of Business, (A) with the twenty-five (25) customers and twenty-five (25) suppliers/vendors of the Loan Parties that have purchased from or sold to, as applicable, the Loan Parties the most products or services (based upon consideration received/paid by the Loan Parties) since January 1, 2019, (B) for the purchase or sale of materials, supplies, merchandise, equipment, parts or other property or services with other customers or suppliers requiring aggregate future payments in excess of $10,000, or (C) any guaranty of any obligation described in clauses (A) and (B), (vi) contract for capital expenditures or the acquisition or construction of fixed assets for the benefit and use of the Loan Parties, the performance of which involves unpaid commitments or liabilities in excess of $50,000, (vii) contract (A) for the acquisition (by merger or otherwise) of any business or securities of another Person or all or substantially all of the of the assets of another Person or (B) for the disposition of the assets or of any business enterprise of any Loan Party other than dispositions of inventory and products of the Loan Parties in the Ordinary Course of Business, in each case that is the source of any surviving rights, obligations or other provisions, (viii) license, sublicense, consent to use agreement, settlement, coexistence agreement, covenants not to sue, permission or other contract pursuant to which a Loan Party grants rights to any third party or receives a grant of rights from any third party to use any Intellectual Property material to the operation of the business of a Loan Party, other than agreements relating to off-the-shelf commercially available software available for an annual or one time license fee of less than $10,000 in the aggregate, (ix) contract that requires a Loan Party to purchase its total requirements of any product or service from a third party or that contain "take or pay" provisions, (x) material broker, distributor, dealer, manufacturer's representative, franchise, agency, sales promotion, market research, marketing consulting or advertising contract, (xi) contract with any Governmental Authority, (xii) contract that limits the ability of a Loan Party to compete in any line of business or with any Person or in any geographic area or during any period of time, (xiii) contract that provides for any joint venture, partnership or similar arrangement by the Company; or any other contract involving aggregate consideration in excess of $50,000 and which, in each case, cannot be cancelled by the Loan Party without penalty or without more than 90 days' notice. (each such contract and agreement, described in the preceding clauses (i) to (xiii), a ***"Material Contract"***). Each Material Contract listed on Schedule 7.18 is in full force and effect (except to the extent terminated after the Closing Date) and there are no events of defaults thereunder or any event which with notice or passage of time, or both, would constitute a material event of default thereunder.

7.19. No Default. No Default or Event of Default has occurred and is continuing.

7.20. No Material Adverse Change. Since date of last audited financial statements there has been no material adverse change in the condition (financial or otherwise), business, operations, or properties of the Loan Parties taken as a whole.

7.21. Full Disclosure. Excluding projections and other forward-looking information, pro forma financial information and information of a general economic or industry nature, no written report, notice, certificate, information or other statement delivered or made (including, in electronic form) by or on behalf of any Loan Party, any Other Obligor or any of their respective Affiliates to Agent or Lender in connection with this Agreement or any other Loan Document contains any untrue statement of a material fact, or omits or will at any time omit to state any material fact necessary to make any statements contained herein or therein not materially misleading at the time and in light of the circumstances in which such statements were made. Except for matters of a general economic or political nature which do not affect any Loan Party or any Other Obligor uniquely, there is no fact presently known to any Loan Party Obligor which has not been disclosed to Agent, which has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Any projections and other forward-looking information and pro forma financial information contained in such materials were prepared in good faith based upon assumptions that were believed by such Loan Party to be reasonable at the time prepared and at the time furnished in light of conditions and facts then known (it being recognized that such projections and other forward-looking information and pro forma financial information are not to be viewed as facts and that actual results during the period or periods covered by any such projections or information may differ from the projected results, and such differences may be material).

7.22. Sensitive Payments. No Loan Party (a) has made or will at any time make any contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal under the applicable laws of the United States or the jurisdiction in which made or any other applicable jurisdiction, (b) has established or maintained or will at any time establish or maintain any unrecorded fund or asset for any purpose or made any false or artificial entries on its books, (c) has made or will at any time make any payments to any Person with the intention that any part of such payment was to be used for any purpose other than that described in the documents supporting the payment or (d) has engaged in or will at any time engage in any ***"trading with the enemy"*** or other transactions violating any rules or regulations of the Office of Foreign Assets Control or any similar applicable laws, rules or regulations.

7.23. [Reserved].

7.24. Access to Collateral, Books and Records. At reasonable times, Agent and its representatives or agents shall have the right to inspect the Collateral and to examine and copy each Loan Party's books and records. Each Loan Party Obligor agrees to give Agent access to any or all of such Loan Party Obligor's, and each of its Subsidiaries', premises to enable Agent to conduct such inspections and examinations. Such inspections and examinations shall be at Borrowers' expense and the charge therefor shall be $1,200 per person per day (or such higher amount as shall represent Agent's then current standard charge), plus out-of-pocket expenses; provided, that so long as no Event of Default exists, Borrowers shall be required to bear the costs of no more than three (3) such inspections per calendar year. Agent may, at Borrowers' expense, use each Loan Party's personnel, computer and other equipment, programs, printed output and computer readable media, supplies and premises for the collection, sale or other disposition of Collateral to the extent Agent, in its sole discretion, deems appropriate. Each Loan Party Obligor hereby irrevocably authorizes all accountants and third parties to disclose and deliver to Agent, at Borrowers' expense, all financial information, books and records, work papers, management reports and other information in their possession regarding the Loan Parties.

7.25. Appraisals. Each Loan Party Obligor will permit Agent and each of its representatives or agents to conduct appraisals and valuations of the Collateral at such times and intervals as Agent may designate (including any appraisals that may be required to comply with FIRREA). Such appraisals and valuations shall be at Borrowers' expense; provided, that so long as no Event of Default exists, Borrowers shall be required to bear the costs of no more than two (2) appraisals per calendar year.

7.26. Lender Meetings. Upon the request of any Agent or the Required Lenders (which request, so long as no Event of Default shall have occurred and be continuing, shall not be made more than once during each fiscal quarter participate in a telephonic meeting with the Agents and the Lenders at such time as may be agreed to by Borrower Representative and such Agent or the Required Lenders.

7.27. Interrelated Businesses. Loan Parties make up a related organization of various entities constituting a single economic and business enterprise so that Loan Parties share an identity of interests such that any benefit received by any one of them benefits the others. From time to time each of the Loan Parties may render services to or for the benefit of the other Loan Parties, purchase or sell and supply goods to or from or for the benefit of the others, make loans, advances and provide other financial accommodations to or for the benefit of the other Loan Parties (including inter alia, the payment by such Loan Parties of creditors of the other Loan Parties and guarantees by such Loan Parties of indebtedness of the other Loan Parties and provides administrative, marketing, payroll and management services to or for the benefit of the other Loan Parties). Loan Parties have the same centralized accounting and legal services, certain common officers directors and managers and generally do not provide stand-alone consolidating financial statements to creditors.

7.28. [Reserved].

8. **NEGATIVE COVENANTS**. No Loan Party Obligor shall, and no Loan Party Obligor shall permit any other Loan Party to:

(a) Except for the Closing Date Merger, merge with or into another Person other than another Loan Party, Divide, consolidate with another Person, or form any new Subsidiary, including by any Division;

(b) acquire any interest in any Person or all or substantially all of the assets or the business of any Person;

(c) [reserved];

(d) substantially change the nature of the business in which it is presently engaged ;

(e) sell, lease, assign, transfer, return, liquidate, or dispose of any Collateral or other assets with an aggregate value in excess of $$200,000 individually, or $750,000 in the aggregate during any calendar year, except that each Loan Party may (i) sell finished goods Inventory in the Ordinary Course of Business, (ii) dispose of worn-out or surplus Equipment to the extent that such Equipment is exchanged for credit against the purchase price of similar replacement Equipment or the proceeds of such disposition are promptly applied to pay or reimburse the purchase price of such replacement Equipment, (iii) dispose of any assets to another Loan Party, (iv) dispose of Inventory that is obsolete, unmerchantable or otherwise unsalable in the Ordinary Course of Business with an aggregate value in excess of $100,000 in any calendar year, (v) discount or compromise for less than face value Accounts in the Ordinary Course of Business to the extent not prohibited hereby and with an aggregate value in excess of $100,000 in any calendar year, (vi) dispose of assets subject to casualty or condemnation events so long as the proceeds thereof are applied in accordance with this Agreement and (vii) enter into the Specified Sale-Leaseback Transaction;

(f) make any loans to, or investments in, any Affiliate or other Person in the form of money or other assets **;** ***provided***, that Borrowers may (i) make loans and investments in its wholly-owned domestic Subsidiaries that are Loan Party Obligors, (ii) make loans and advances to employees for travel expenses and other similar reimbursable business expenses in the Ordinary Course of Business in an amount not to exceed $50,000 at any time outstanding, (iii) prepay expenses, make deposits in respect of commercial arrangements and extend trade credit in the Ordinary Course of Business (iv) invest in securities of Account Debtors received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such Account Debtors;

(g) incur any Indebtedness other than the Obligations and Permitted Indebtedness;

(h) create, incur, assume or suffer to exist any Lien or other encumbrance of any nature whatsoever or authorize under the UCC of any jurisdiction a Financing Statement naming the Loan Party as debtor, or execute any security agreement authorizing any secured party thereunder to file such Financing Statement, other than in favor of Agent to secure the Obligations, on any of its assets whether now or hereafter owned, other than Permitted Liens;

(i) authorize, enter into, or execute any agreement giving a Secured Party control of a (i) Deposit Account other than a Restricted Account as contemplated by Section 9-104 of the UCC or (ii) Securities Accounts other than a Restricted Account as contemplated by Section 9-106 of the UCC, in each case other than in favor of Agent to secure the Obligations;

(j) [reserved];

(k) enter into any covenant or other agreement that restricts or is intended to restrict it from pledging or granting a security interest in, mortgaging, assigning, encumbering or otherwise creating a Lien on any of its property, whether, real or personal, tangible or intangible, existing or hereafter acquired, in favor of Lender except for covenants or agreements (i) governing any Indebtedness permitted by clause (b) or clause (c) of the definition of Permitted Indebtedness as to the transfer or the creation of Liens in assets financed with the proceeds of such Indebtedness, (ii) for the creation or assumption of any Lien on the sublet or assignment of any leasehold interest of any Loan Party entered into in the Ordinary Course of Business, (iii) restricting assignment of any contract entered into by a Loan Party in the Ordinary Course of Business, (iv) for the transfer of any asset pending the close of the sale of such asset pursuant to a disposition of assets permitted under this Agreement or (v) consisting of restrictions arising in connection with cash or other deposits to the extent such restrictions are Permitted Liens or the amounts are held in Restricted Accounts and limited to such cash or deposits;

(l) guaranty or otherwise become liable with respect to the obligations (other than the Obligations) of another Person except to the extent constituting Permitted Indebtedness;

(m) pay or distribute any dividends or other distributions on any Loan Party's stock or other equity interest, or redeem, retire, purchase or otherwise acquire, directly or indirectly, any of Loan Party's capital stock or other equity interests, except for (i) dividends or distributions, or redemptions retirements or purchases, for consideration payable solely in capital stock or other equity interests of such Loan Party, (ii) dividends and distributions to a Loan Party Obligor, (iii) Permitted Tax Distributions, and (iv) any other dividends or distributions, redemptions, retirements or purchases of equity interests so long as immediately before and after giving effect to such dividends or distributions, redemptions, retirements or purchases (A) Excess Availability will not be less than twenty percent (20%) of the Adjusted Borrowing Base for the immediately preceding thirty (30)-day period and after giving effect to such dividend or distribution, (B) before or concurrently with the making of the dividend or distribution the Loan Parties deliver a Compliance Certificate demonstrating that the Fixed Charge Coverage Ratio is greater than 1.10 to 1.00 calculated as of the last day of the immediately preceding fiscal month for the twelve (12)-month period then ending after giving effect to such dividend or distribution as if such dividend or distribution was made in such calculation period, and (C) the Term Loan has been paid in full; ***provided***, that notwithstanding the foregoing, Borrowers may declare and accrue any distribution or dividend for shareholders;

(n) [reserved];

(o) liquidate, dissolve or elect to dissolve;

(p) engage, directly or indirectly, in a business other than the business which is being conducted on the date hereof and substantially similar or complimentary businesses, wind up its business operations or cease substantially all, or any material portion, of its normal business operations, or suffer any material discontinuance of a material portion of its normal business operations;

(q) pay, or make any distributions for the payment of, any principal or other amount on any Indebtedness that is contractually subordinated to Agent, in violation of the applicable subordination or intercreditor agreement;

(r) directly, or indirectly, purchase, acquire or lease any property from, sell, transfer or lease any property to, enter into any contract do any of the foregoing with, or enter into any transaction or deal with an Affiliate of any (i) Loan Party Obligor, (ii) Other Obligor or (iii), officer, director, manager, member or equity holder of any Loan Party Obligor, other than (A) transactions among Loan Parties, (B) transactions contemplated by the Closing Date Merger Agreement, (C) payment of reasonable compensation to officers and employees for services rendered and loans and advances permitted by Section 8(e)(ii), (D) transactions pursuant to agreements disclosed in the Perfection Certificate as of the Closing Date, (E) transactions pursuant to the Management Agreement subject to the Management Fee Subordination Agreement, and (F) transactions that are disclosed promptly to Lender in writing and satisfy the following criteria as determined by Lender in its Permitted Discretion: (w) are in the Ordinary Course of Business, (x) are on an arms-length basis and (y) are on terms and conditions that are no less favorable than terms and conditions which would have been obtainable from a Person other than an Affiliate;

(s) change its jurisdiction of organization or enter into any transaction which has the effect of changing its jurisdiction of organization except as provided for in Section 7.8;

(t) agree, consent, permit or otherwise undertake to amend or otherwise modify any of the terms or provisions of any Loan Party's Governing Documents, except for such amendments or other modifications required by applicable law or that are not materially adverse to Agent and Lenders;

(u) [reserved]; or

(v) create or otherwise cause or suffer to exist or become effective any encumbrance or restriction (other than any Loan Documents) of any kind on the ability of any such Person to pay or make any dividends or distributions to any Borrower, to pay any of the Obligations, to make loans or advances or to transfer any of its property or assets to any Borrower, except to the extent expressly permitted by Section 8(k).

9. **FINANCIAL COVENANTS**. Each Loan Party Obligor shall at all times comply with the following financial covenants:

Fixed Charge Coverage Ratio /Minimum Excess Availability . Borrowers shall not permit Excess Availability at any time to be less than the Minimum Excess Availability Amount, unless as of the last day of the most recent month for which the monthly financial statements of Borrowers and the related Compliance Certificate have been or are required to have been delivered to Agent pursuant to Section 7.15, the Fixed Charge Coverage Ratio for the twelve consecutive calendar month period then ended is equal to or greater than 1:00x to 1:00x.

9.2. Capital Expenditure Limitation. Loan Parties shall not make any Capital Expenditures other than pursuant to the Specified Capital Project if, after giving effect to such Capital Expenditures, the aggregate cost of all Capital Expenditures of the Loan Parties would exceed (a) $1,000,000 during Fiscal Year 2020, and (b) $2,500,000 during Fiscal Year 2021 and each Fiscal Year thereafter.

9.3. Equity Cure.

(a) In the event that the Loan Party Obligors fail to comply with the financial covenant set forth in Section 9.1 as of the last day of any month, as applicable, any cash equity contribution to a Borrower funded with a capital contribution to Holdings or proceeds of equity interests issued by Holdings after the last day of such month, and on or prior to the day that is ten (10) Business Days after the day on which financial statements are required to be delivered for that month, will, at the irrevocable election of the Borrower Representative, be included in the calculation of EBITDA for that month solely for the purposes of determining compliance with such covenant (any such equity contribution so included in the calculation of EBITDA, a "***Covenant Default Equity Contribution***"), and if in compliance with such covenant upon the making of the Covenant Default equity Contribution, no Event of Default will be deemed to exist as a result of non-compliance with such covenant; provided, that (i) notice of Borrower Representative's irrevocable election to make a Covenant Default Equity Contribution shall be delivered to Agent no later than the day on which financial statements are required to be delivered for the applicable month, (ii) the amount of any Covenant Default Equity Contribution will be no greater than the amount required to cause the Loan Party Obligors to be in compliance with such covenant, (iii) all Covenant Default Equity Contributions will be disregarded for purposes of the calculation of EBITDA for all other purposes, (iv) the gross proceeds of all Covenant Default Equity Contributions shall be paid to the Agent to be applied as a mandatory prepayment applied under Section 2.6(a) hereof when funded and (v) the amount of the Term Loan prepaid with the proceeds of Covenant Default Equity Contributions (if any) shall be deemed outstanding for purposes of determining compliance with such covenant for the current month and the next eleven (11) months thereafter. Notwithstanding the foregoing, Covenant Default Equity Contributions may not be made more than two (2) times during the term of this Agreement, in consecutive fiscal quarters or more than one (1) time during any twelve consecutive months.

(b) In the event that the Excess Availability is less than the Minimum Excess Availability Amount (a " ***Minimum Excess Availability Deficiency***"), solely as a result of the Agent's imposition of additional Reserves or a reduction in Borrowing Base imposed by the Agent as a result of any appraisal conducted by the Agent under this Agreement, any cash equity contribution to a Borrower funded with a capital contribution to Holdings or proceeds of equity interests issued by Holdings on or prior to the day that is ten (10) Business Days after the day on which the Agent provides notice to the Borrower Representative of the Minimum Excess Availability Deficiency, will, at the irrevocable election of the Borrower Representative, increase Excess Availability (any such equity contribution increasing Excess Availability, a " ***Minimum Excess Availability Equity Contribution***") as of the date on which the Minimum Excess Availability Deficiency first arose; provided, that (i) notice of Borrower Representative's irrevocable election to make a Minimum Excess Availability Equity Contribution shall be delivered to Agent no later than the day that is two (2) Business Days after the day on which the Agent provides notice to the Borrower Representative of the Minimum Excess Availability Deficiency and (ii) the gross proceeds of all Minimum Excess Availability Equity Contributions shall be paid to the Agent to be applied as a mandatory prepayment applied under Section 2.6(a) hereof to the Revolving Loans when funded.

10. **RELEASE, LIMITATION OF LIABILITY AND INDEMNITY**.

10.1. Release. Each Borrower and each other Loan Party Obligor on behalf of itself and its successors, assigns, heirs and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges Agent and each Lender and any and all Participants and Affiliates, and their respective successors and assigns, and their respective directors, members, managers, officers, employees, attorneys and agents, including without limitation each Agent-Related Person, and any other Person affiliated with or representing Agent or any Lender (collectively, the ***"Released Parties"***) of and from any and all liability, including all actual or potential claims, demands or causes of action of any kind, nature or description whatsoever, whether arising in law or equity or under

contract or tort or under any state or federal law or otherwise, which any Borrower or any Loan Party or any of their successors, assigns or other legal representatives has had, now has or has made claim to have against any of the Released Parties for or by reason of any act, omission, matter, cause or thing whatsoever, including any liability arising from acts or omissions pertaining to the transactions contemplated by this Agreement and the other Loan Documents, whether based on errors of judgment or mistake of law or fact, from the beginning of time to and including the Closing Date, whether such claims, demands and causes of action are matured or known or unknown, in all cases, except to the extent resulting from the gross negligence or willful misconduct by a the Released Party as finally determined by a court of competent jurisdiction. Notwithstanding any provision in this Agreement to the contrary, this Section 10.1 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Loans. Such release is made on the date hereof and remade upon each request for a Loan by any Borrower or Borrower Representative.

10.2. Limitation of Liability. In no circumstance will any of the Released Parties be liable for lost profits or other special, punitive, or consequential damages. Notwithstanding any provision in this Agreement to the contrary, this Section 10.2 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Loans.

10.3. Indemnity.

(a) Each Loan Party Obligor hereby agrees to indemnify the Released Parties and hold them harmless from and against any and all claims, debts, liabilities, demands, obligations, actions, causes of action, penalties, costs and expenses (including internal and external attorneys' fees), of every nature, character and description, which the Released Parties may sustain or incur based upon or arising out of any of the transactions contemplated by this Agreement or any other Loan Documents or any of the Obligations, any Collateral relating thereto, any drafts thereunder and any errors or omissions relating thereto, or any other matter, cause or thing whatsoever occurred, done, omitted or suffered to be done by Agent or any Lender relating to any Loan Party or the Obligations (except to the extent that any such amounts sustained or incurred solely as the result of the gross negligence or willful misconduct of such Released Parties, as finally determined by a court of competent jurisdiction). Notwithstanding any provision in this Agreement to the contrary, this Section 10.3 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Loans.

(b) To the extent that any Loan Party Obligor fails to pay any amount required to be paid by it to Agent (or any Released Party of Agent) under paragraph (a) above, each Lender severally agrees to pay to Agent (or such Released Party), such Lender's Pro Rata Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (it being understood that any such payment by the Lenders shall not relieve any Loan Party of any default in the payment thereof); provided that the unreimbursed expense or indemnified loss, claim, damage, penalty, liability or related expense, as the case may be, was incurred by or asserted against Agent in its capacity as such.

11. **EVENTS OF DEFAULT AND REMEDIES**.

11.1. Events of Default. The occurrence of any of the following events shall constitute an ***"Event of Default"***:

(a) **Payment**. If any Loan Party Obligor or any Other Obligor fails to pay to Agent, when due, any principal or interest payment or any other monetary Obligation required under this Agreement or any other Loan Document;

(b) **Breaches of Representations and Warranties**. If any warranty, representation, statement, report or certificate made or delivered to Agent or any Lender by or on behalf of any Loan Party or any Other Obligor is untrue or misleading in any material respect (except where such warranty or representation is already qualified by Material Adverse Effect, materiality, dollar thresholds or similar qualifications, in which case such warranty or representation shall be accurate in all respects);

(c) **Breaches of Covenants**.

(i) If any Loan Party or any Other Obligor defaults in the due observance or performance of any covenant, condition or agreement contained in Section 5.2, 6.1, 6.6, 6.7 (other than 6.7(a)), 7.2 (limited to the last sentence of Section 7.2), 7.3, 7.7, 7.8, 7.11(c), 7.13, 7.14, 7.15, 7.24, 7.25, 7.26, 7.27, 8 or 9; or

(ii) If any Loan Party or any Other Obligor defaults in the due observance or performance of any covenant, condition or agreement contained in any provision of this Agreement or any other Loan Document and not addressed in clauses Sections 11.1(a), (b) or (c)(i), and the continuance of such default unremedied for a period of fifteen (15) days; *provided*, that such fifteen (15)-day grace period shall not be available for any default that is not reasonably capable of being cured within such period or for any intentional default;

(d) **Judgment**. If one or more judgments aggregating in excess of $200,000 that is not covered by insurance is obtained against any Loan Party or any Other Obligor which remains unstayed for more than or is not discharged within thirty (30) days or is enforced;

(e) **Cross-Default**. If any default occurs with respect to any Indebtedness (other than the Obligations) of any Loan Party or any Other Obligor that has an outstanding balance in excess of $200,000 if (i) such default shall consist of the failure to pay such Indebtedness when due, whether by acceleration or otherwise or (ii) the effect of such default is to permit the holder, with or without notice or lapse of time or both, to accelerate the maturity of any such Indebtedness or to cause such Indebtedness to become due prior to the stated maturity thereof (without regard to the existence of any subordination or intercreditor agreements);

(f) **Dissolution**. The dissolution, termination of existence, insolvency or business failure or suspension or cessation of business as usual of any Loan Party or any Other Obligor (or of any general partner of any Loan Party or any Other Obligor if it is a partnership);

(g) **Voluntary Bankruptcy or Similar Proceedings**. If any Loan Party or any Other Obligor shall apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of it or any of its properties, admit in writing its inability to pay its debts as they mature, make a general assignment for the benefit of creditors, be adjudicated a bankrupt or insolvent or be the subject of an order for relief under the Bankruptcy Code or under any bankruptcy or insolvency law of a foreign jurisdiction, or file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, or take or permit to be taken any action in furtherance of or for the purpose of effecting any of the foregoing;

(h) **Involuntary Bankruptcy or Similar Proceedings.** The commencement of an involuntary case or other proceeding against any Loan Party or any Other Obligor seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar applicable law or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or if an order for relief is entered against any

Loan Party or any Other Obligor under any bankruptcy, insolvency or other similar applicable law as now or hereafter in effect; ***provided***, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings, though Agent and Lenders shall have no obligation to make Loans during such forty-five day period or, if earlier, until such proceedings are dismissed;

(i) **Revocation or Termination of Guaranty or Security Documents**. The actual or attempted revocation or termination of, or limitation or denial of liability under, any guaranty of any of the Obligations, or any security document securing any of the Obligations, by any Loan Party or Other Obligor;

(j) **[Reserved]**.

(k) **Criminal Indictment or Proceedings**. If there is any conviction of or plea of nolo contendere of any Loan Party, any Loan Party's officers, any Other Obligor or any Other Obligor's officers under any criminal statute for a criminal offense constituting a felony;

(l) **Change of Control** . If (i) Parent ceases, directly or indirectly (through its ownership of Holdings or otherwise), to possess the right to elect (through contract, ownership of voting securities or otherwise) at all times a majority of the board of directors (or similar governing body) of Borrower Representative and to direct the management policies and decisions of Borrower Representative, (ii) Parent ceases to directly or indirectly (through its ownership of Holdings or otherwise) own and control 51% of each class of the outstanding equity interests of Borrower Representative or (iii) Borrower Representative ceases to, directly or indirectly, own and control 100% of each class of the outstanding equity interests of each other Loan Party;

(m) **[RESERVED]**;

(n) **Invalid Liens**. If any Lien purported to be created by any Loan Document shall cease to be a valid perfected first priority Lien (subject only to any priority accorded by law to Permitted Liens) on any material portion of the Collateral, or any Loan Party or any Other Obligor shall assert in writing that any Lien purported to be created by any Loan Document is not a valid perfected first-priority lien (subject only to any priority accorded by law to Permitted Liens) on the assets or properties purported to be covered thereby;

(o) **Termination of Loan Documents**. If any of the Loan Documents shall cease to be in full force and effect (other than as a result of the discharge thereof in accordance with the terms thereof or by written agreement of all parties thereto);

(p) **Liquidation Sales.** The determination by any Loan Party to employ an agent or other third party or otherwise engage any Person or solicit proposals for the engagement of any Person (i) in connection with the proposed liquidation of all or a material portion of its assets or store locations, or (ii) to conduct any so-called “Going Out of Business” sales;

(q) **Loss of Collateral**. The (i) uninsured loss, theft, damage or destruction of any of the Collateral, in an amount in excess of $250,000 in the aggregate for all such events during any Fiscal Year unless within 180 days after the occurrence thereof one or more Loan Party Obligors receive cash proceeds of a direct or indirect equity contribution by Parent to a Loan Party Obligor or an acquisition of equity interests of a Loan Party Obligor by Parent in amount no less than such excess, and the Loan Parties repair, replace or reconstruct the Collateral subject to such loss, theft, damage or destruction, or (ii) except as permitted hereby, the sale, lease or furnishing under a contract of service of, any of the Collateral; or

(r) **Plans**. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Loan Party or any Subsidiary under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of $200,000, (ii) the existence of any Lien under Section 430(k) or Section 6321 of the Code or Section 303(k) or Section 4068 of ERISA on any assets of a Loan Party, or (iii) a Loan Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of $200,000.

11.2. Remedies with Respect to Lending Commitments/Acceleration, Etc. Upon the occurrence of an Event of Default, Agent may (in its sole discretion), or at the direction of Required Lenders, shall, (a) terminate all or any portion of its commitment to lend to or extend credit to Borrowers under this Agreement and/or any other Loan Document, without prior notice to any Loan Party and/or (b) demand payment in full of all or any portion of the Obligations (whether or not payable on demand prior to such Event of Default), together with the Early Termination Fee in the amount specified in Section 3.2(e) and/or (c) take any and all other and further actions and avail itself of any and all rights and remedies available to Agent under this Agreement, any other Loan Document, under law or in equity. Notwithstanding the foregoing sentence, upon the occurrence of any Event of Default described in Section 11.1(g) or Section 11.1(h), without notice, demand or other action by Agent all of the Obligations (including the Early Termination Fee in the amount specified in Section 3.2(e)) shall immediately become due and payable whether or not payable on demand prior to such Event of Default.

11.3. Remedies with Respect to Collateral. Without limiting any rights or remedies Agent or any Lender may have pursuant to this Agreement, the other Loan Documents, under applicable law or otherwise, upon the occurrence and during the continuation of an Event of Default:

(a) **Any and All Remedies.** Agent may take any and all actions and avail itself of any and all rights and remedies available to Agent under this Agreement, any other Loan Document, under law or in equity, and the rights and remedies herein and therein provided shall be cumulative and not exclusive of any rights or remedies provided by applicable law or otherwise.

(b) **Collections; Modifications of Terms.** Agent may, but shall be under no obligation to: (i) notify all appropriate parties that the Collateral, or any part thereof, has been assigned to, or is subject to a security interest in favor of, Agent; (ii) demand, sue for, collect and give receipts for and take all necessary or desirable steps to collect any Collateral or Proceeds in its or any Loan Party Obligor's name, and apply any such collections against the Obligations as Agent may elect; (iii) take control of any Collateral and any cash and non-cash Proceeds of any Collateral; (iv) enforce, compromise, extend, renew settle or discharge any rights or benefits of each Loan Party Obligor with respect to or in and to any Collateral, or deal with the Collateral as Agent may deem advisable; and (v) make any compromises, exchanges, substitutions or surrenders of Collateral Agent deems necessary or proper in its reasonable discretion, including extending the time of payment, permitting payment in installments, or otherwise modifying the terms or rights relating to any of the Collateral, all of which may be effected without notice to, consent of, or any other action of any Loan Party and without otherwise discharging or affecting the Obligations, the Collateral or the security interests granted to Agent under this Agreement or any other Loan Document.

(c) **Insurance.** Agent may file proofs of loss and claim with respect to any of the Collateral with the appropriate insurer, and may endorse in its own and each Loan Party Obligor's name any checks or drafts constituting Proceeds of insurance. Any Proceeds of insurance received by Agent may be applied by Agent against payment of all or any portion of the Obligations as Agent may elect in its reasonable discretion.

(d) **Possession and Assembly of Collateral.** Agent may take possession of the Collateral and/or, without removal, render each Loan Party Obligor's Equipment unusable. Upon Agent's request, each Loan Party Obligor shall assemble the Collateral and make it available to Agent at one or more places designated by Agent.

(e) **Set-off.** Agent may and, without any notice to, consent of or any other action by any Loan Party (such notice, consent or other action being expressly waived), set-off or apply (i) any and all deposits (general or special, time or demand, provisional or final) at any time held by or for the account of Agent or any Affiliate of Agent and (ii) any Indebtedness at any time owing by Agent or any Affiliate of Agent or any Participant in the Loans to or for the credit or the account of any Loan Party Obligor to the repayment of the Obligations, irrespective of whether any demand for payment of the Obligations has been made.

(f) **Disposition of Collateral.**

(i) ***Sale, Lease, etc. of Collateral.*** Agent may, without demand, advertising or notice, all of which each Loan Party Obligor hereby waives (except as the same may be required by the UCC or other applicable law and is not waivable under the UCC or such other applicable law), at any time or times in one or more public or private sales or other dispositions, for cash, on credit or otherwise, at such prices and upon such terms as determined by Agent (provided such price and terms are commercially reasonable within the meaning of the UCC to the extent such sale or other disposition is subject to the UCC requirements that such sale or other disposition must be commercially reasonable), (A) sell, lease, license or otherwise dispose of any and all Collateral and/or (B) deliver and grant options to a third party to purchase, lease, license or otherwise dispose of any and all Collateral. Agent may sell, lease, license or otherwise dispose of any Collateral in its then-present condition or following any preparation or processing deemed necessary by Agent in its reasonable discretion. Agent may be the purchaser at any such public or private sale or other disposition of Collateral, and in such case Agent may make payment of all or any portion of the purchase price therefor by the application of all or any portion of the Obligations due to Agent to the purchase price payable in connection with such sale or disposition. Agent may, if it deems it reasonable, postpone or adjourn any sale or other disposition of any Collateral from time to time by an announcement at the time and place of the sale or disposition to be so postponed or adjourned without being required to give a new notice of sale or disposition; ***provided***, that Agent shall provide the applicable Loan Party Obligor with written notice of the time and place of such postponed or adjourned sale or disposition. Each Loan Party Obligor hereby acknowledges and agrees that Agent's compliance with any requirements of applicable law in connection with a sale, lease, license or other disposition of Collateral will not be considered to adversely affect the commercial reasonableness of any sale, lease, license or other disposition of such Collateral.

(ii) ***Deficiency.*** Each Loan Party Obligor shall remain liable for all amounts of the Obligations remaining unpaid as a result of any deficiency of the Proceeds of the sale, lease, license or other disposition of Collateral after such Proceeds are applied to the Obligations as provided in this Agreement.

(iii) ***Warranties; Sales on Credit.*** Agent may sell, lease, license or otherwise dispose of the Collateral without giving any warranties and may specifically disclaim any and all warranties, including but not limited to warranties of title, possession, merchantability and fitness. Each Loan Party Obligor hereby acknowledges and agrees that Agent's disclaimer of any and all warranties in connection with a sale, lease, license or other disposition of Collateral will not be considered to adversely affect the commercial reasonableness of any such disposition of the Collateral. If Agent sells, leases, licenses or otherwise disposes of any of the Collateral on credit, Borrowers will be credited only with payments actually made in cash by the recipient of such Collateral and received by Agent and applied to the Obligations. If any Person fails to pay for Collateral acquired pursuant this Section 11.3(f) on credit, Agent may re-offer the Collateral for sale, lease, license or other disposition.

(g) **Investment Property; Voting and Other Rights; Irrevocable Proxy.**

(i) All rights of each Loan Party Obligor to exercise any of the voting and other consensual rights which it would otherwise be entitled to exercise in accordance with the terms hereof with respect to any Investment Property, and to receive any dividends, payments, and other distributions which it would otherwise be authorized to receive and retain in accordance with the terms hereof with respect to any Investment Property, shall immediately, at the election of Agent (without requiring any notice) cease, and all such rights shall thereupon become vested solely in Agent, and Agent (personally or through an agent) shall thereupon be solely authorized and empowered, without notice, to (A) transfer and register in its name, or in the name of its nominee, the whole or any part of the Investment Property, it being acknowledged by each Loan Party Obligor that any such transfer and registration may be effected by Agent through its irrevocable appointment as attorney-in-fact pursuant to Section 11.3(g)(ii) and Section 6.4, (B) exchange certificates or instruments representing or evidencing Investment Property for certificates or instruments of smaller or larger denominations, (C) exercise the voting and all other rights as a holder with respect to all or any portion of the Investment Property (including all economic rights, all control rights, authority and powers, and all status rights of each Loan Party Obligor as a member or as a shareholder (as applicable) of the Issuer), (D) collect and receive all dividends and other payments and distributions made thereon, (E) notify the parties obligated on any Investment Property to make payment to Agent of any amounts due or to become due thereunder, (F) endorse instruments in the name of each Loan Party Obligor to allow collection of any Investment Property, (G) enforce collection of any of the Investment Property by suit or otherwise, and surrender, release, or exchange all or any part thereof, or compromise or renew for any period (whether or not longer than the original period) any liabilities of any nature of any Person with respect thereto, (H) consummate any sales of Investment Property or exercise any other rights as set forth in Section 11.3(f), (I) otherwise act with respect to the Investment Property as though Agent was the outright owner thereof and (J) exercise any other rights or remedies Agent may have under the UCC, other applicable law or otherwise.

(ii) EACH LOAN PARTY OBLIGOR HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS AGENT AS ITS PROXY AND ATTORNEY-IN-FACT FOR SUCH LOAN PARTY OBLIGOR WITH RESPECT TO ALL OF EACH SUCH LOAN PARTY OBLIGOR'S INVESTMENT PROPERTY WITH THE RIGHT, DURING THE CONTINUANCE OF AN EVENT OF DEFAULT, WITHOUT NOTICE, TO TAKE ANY OF THE FOLLOWING ACTIONS: (A) TRANSFER AND REGISTER IN AGENT'S NAME, OR IN THE NAME OF ITS NOMINEE, THE WHOLE OR ANY PART OF THE INVESTMENT PROPERTY, (B) VOTE THE PLEDGED EQUITY, WITH FULL POWER OF SUBSTITUTION TO DO SO, (C) RECEIVE AND COLLECT ANY DIVIDEND OR ANY OTHER PAYMENT OR DISTRIBUTION IN RESPECT OF, OR IN EXCHANGE FOR, THE INVESTMENT PROPERTY OR ANY PORTION THEREOF, TO GIVE FULL DISCHARGE FOR THE SAME AND TO INDORSE ANY INSTRUMENT MADE PAYABLE TO ANY LOAN PARTY OBLIGOR FOR THE SAME, (D) EXERCISE ALL OTHER RIGHTS, POWERS, PRIVILEGES, AND REMEDIES (INCLUDING ALL ECONOMIC RIGHTS, ALL CONTROL RIGHTS, AUTHORITY AND POWERS, AND ALL STATUS RIGHTS OF EACH LOAN PARTY OBLIGOR AS A MEMBER OR AS A SHAREHOLDER (AS APPLICABLE) OF THE ISSUER) TO WHICH A HOLDER OF THE PLEDGED COLLATERAL WOULD BE ENTITLED (INCLUDING, WITH RESPECT TO THE PLEDGED EQUITY, GIVING OR WITHHOLDING WRITTEN CONSENTS OF MEMBERS OR SHAREHOLDERS, CALLING SPECIAL MEETINGS OF MEMBERS OR SHAREHOLDERS, AND VOTING AT SUCH MEETINGS), AND (E) TAKE ANY ACTION AND TO EXECUTE ANY INSTRUMENT WHICH AGENT MAY DEEM NECESSARY OR ADVISABLE TO ACCOMPLISH THE PURPOSES OF THIS AGREEMENT. THE APPOINTMENT OF AGENT AS PROXY AND

ATTORNEY-IN-FACT IS COUPLED WITH AN INTEREST AND SHALL BE VALID AND IRREVOCABLE UNTIL (x) ALL OF THE OBLIGATIONS HAVE BEEN INDEFEASIBLY PAID IN FULL IN CASH IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, (y) AGENT AND LENDERS HAVE NO FURTHER OBLIGATIONS UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, AND (z) THE COMMITMENTS UNDER THIS AGREEMENT HAVE EXPIRED OR HAVE BEEN TERMINATED (IT BEING UNDERSTOOD AND AGREED THAT SUCH OBLIGATIONS WILL BE AUTOMATICALLY REINSTATED IF AT ANY TIME PAYMENT, IN WHOLE OR IN PART, OF ANY OF THE OBLIGATIONS IS RESCINDED OR MUST OTHERWISE BE RESTORED OR RETURNED BY AGENT OR ANY LENDER FOR ANY REASON WHATSOEVER, INCLUDING AS A PREFERENCE, FRAUDULENT CONVEYANCE, OR OTHERWISE UNDER ANY BANKRUPTCY, INSOLVENCY, OR SIMILAR LAW, ALL AS THOUGH SUCH PAYMENT HAD NOT BEEN MADE; IT BEING FURTHER UNDERSTOOD THAT IN THE EVENT PAYMENT OF ALL OR ANY PART OF THE OBLIGATIONS IS RESCINDED OR MUST BE RESTORED OR RETURNED, ALL REASONABLE OUT-OF-POCKET COSTS AND EXPENSES (INCLUDING ALL REASONABLE INTERNAL AND EXTERNAL ATTORNEYS' FEES AND DISBURSEMENTS) INCURRED BY AGENT AND LENDERS IN DEFENDING AND ENFORCING SUCH REINSTATEMENT SHALL HEREBY BE DEEMED TO BE INCLUDED AS A PART OF THE OBLIGATIONS). SUCH APPOINTMENT OF AGENT AS PROXY AND AS ATTORNEY-IN-FACT SHALL BE VALID AND IRREVOCABLE AS PROVIDED HEREIN NOTWITHSTANDING ANY LIMITATIONS TO THE CONTRARY SET FORTH IN ANY GOVERNING DOCUMENTS OF ANY LOAN PARTY OBLIGOR, ANY ISSUER, OR OTHERWISE.

(iii) In order to further effect the foregoing transfer of rights in favor of Agent, during the continuance of an Event of Default, each Loan Party Obligor hereby authorizes and instructs each Issuer of Investment Property pledged by such Loan Party Obligor to comply with any instruction received by such Issuer from Agent without any other or further instruction from such Loan Party Obligor, and each Loan Party Obligor acknowledges and agrees that each Issuer shall be fully protected in so complying, and to pay any dividends, distributions, or other payments with respect to any of the Investment Property directly to Agent.

(iv) Upon exercise of the proxy set forth herein, all prior proxies given by any Loan Party Obligor with respect to any of the Pledged Equity or other Investment Property, other than to Agent, are hereby revoked, and no subsequent proxies, other than to Agent will be given with respect to any of the Pledged Equity or any of the other Investment Property unless Agent otherwise subsequently agrees in writing. Agent, as proxy, will be empowered and may exercise the irrevocable proxy to vote the Pledged Equity and the other Investment Property at any and all times during the existence of an Event of Default, including, at any meeting of shareholders or members, as the case may be, however called, and at any adjournment thereof, or in any action by written consent, and may waive any notice otherwise required in connection therewith. To the fullest extent permitted by applicable law, Agent shall have no agency, fiduciary or other implied duties to any Loan Party Obligor, any Issuer, any Loan Party or any other Person when acting in its capacity as such proxy or attorney-in-fact. Each Loan Party Obligor hereby waives and releases any claims that it may otherwise have against Agent with respect to any breach, or alleged breach, of any such agency, fiduciary or other duty.

(v) Any transfer to Agent or its nominee, or registration in the name of Agent or its nominee, of the whole or any part of the Investment Property shall be made solely for purposes of effectuating voting or other consensual rights with respect to the Investment Property in accordance with the terms of this Agreement and is not intended to effectuate any transfer of ownership of any of the Investment Property. Notwithstanding the delivery by Agent of any instruction to any Issuer or any exercise by Agent of an irrevocable proxy or otherwise, Agent shall not be deemed the owner of, or assume any obligations or any liabilities whatsoever of the owner or holder of, any Investment Property unless and until Agent expressly accepts such obligations in a duly authorized and executed writing and agrees in writing to become bound by the applicable Governing Documents or otherwise becomes the owner thereof under applicable law (including through a sale as described in Section 11.3(f)). The execution and delivery of this Agreement shall not subject Agent to, or transfer or pass to Agent, or in any way affect or modify, the liability of any Loan Party Obligor under the Governing Documents of any Issuer or any related agreements, documents, or instruments or otherwise. In no event shall the execution and delivery of this Agreement by Agent, or the exercise by Agent of any rights hereunder or assigned hereby, constitute an assumption of any liability or obligation whatsoever of any Loan Party Obligor to, under, or in connection with any of the Governing Documents of any Issuer or any related agreements, documents, or instruments or otherwise.

(vi) Compliance with the Securities Act as now in effect or as hereafter amended, or any similar statute hereafter adopted with similar purpose or effect, as well as any applicable "Blue Sky" or other state securities laws, if applicable to the Collateral or the portion thereof being sold, may require strict limitations as to the manner in which the Agent or any subsequent transferee may dispose of the Collateral. With respect to any disposition as to which the Securities Act or analogous state securities laws is applicable, each Loan Party Obligor hereby waives any objection to sale in a compliant manner, and agrees that the Agent has no obligation to obtain the maximum possible price for the Collateral so long as the Agent proceeds in a commercially reasonable manner. Without limiting the generality of the foregoing, each Loan Party Obligor agrees that in conducting a disposition of the Collateral as to which the Securities Act or analogous state securities laws applies, Agent may seek to sell the Collateral by private placement, and may restrict bidders and prospective purchasers to those who are willing to represent that they are purchasing for investment only and not for distribution and who otherwise satisfy qualifications designed to ensure compliance with the Securities Act and analogous state securities laws and those that may be established in the Issuer's Governing Documents. Each Loan Party Obligor acknowledges that in order to protect Agent's interest, it may be necessary to sell the Collateral at a price less than the maximum price attainable if a sale were delayed or were made in another manner, including, without limitation, a public offering under the Securities Act. In order to address these potential compliance requirements, Agent may solicit offers to purchase the Collateral from a limited number of bidders reasonably believed by Agent to be institutional investors or accredited investors. If Agent solicits offers in a commercially reasonable manner, then acceptance by Agent of one or more of the offers shall be deemed to be a commercially reasonable method of disposition of the Collateral and Agent will not be responsible or liable for selling all or any portion of the Collateral at a price that Agent deems in good faith to be reasonable. Agent is under no obligation to delay a disposition of any portion of the Collateral that are securities under the Securities Act or applicable "Blue Sky" or other state securities law for the period of time necessary to permit any Loan Party Obligor or the Issuer to register the securities for public sale under the Securities Act or under applicable "Blue Sky" or other state securities laws, even if a Loan Party Obligor or the Issuer agrees to do so. In addition, to the extent not prohibited by applicable law, each Loan Party Obligor waives any right to prior notice (except to the extent expressly provided in this Agreement) or judicial hearing in connection with the taking possession or the disposition of any of the Collateral, including any right which Loan Party Obligor otherwise would have.

(vii) To the extent permitted under applicable law, Agent is not required to conduct any foreclosure sale of the Investment Property or any portion thereof.

(viii) Agent, at its option, may obtain the appointment of a receiver to take possession of the Investment Property and, at the option of Agent, a receiver may be empowered (i) to collect, receive and enforce all distributions, (ii) to exercise the rights of Agent as provided in this Agreement, (iii) to collect all other amounts owed to any Loan Party Obligor in respect of the Investment Property as and when due to any Loan Party Obligor, (iv) to otherwise collect, sell or dispose of the Investment Property, (v) to exercise all rights in and under the Investment Property; and (vi) to turn over all net proceeds to Agent. Each Loan Party Obligor irrevocably and unconditionally agrees that a receiver may be appointed by a court to take the actions listed above without regard to the adequacy of the security for the Obligations, and the actions of the receiver may be taken in the name of the receiver, any Loan Party Obligor or Agent.

(ix) Agent may elect to conduct a sale of an economic interest in any Investment Property constituting limited liability company interests that does not result in the purchaser being admitted as a substitute limited liability company member in the Issuer, and that any sale or dispositions made in good faith will be considered commercially reasonable, notwithstanding the possibility that a substantially higher price might be realized if the purchaser were able to be admitted as a substitute limited liability company member rather than the holder of only an economic interest in the Issuer.

(x) Agent may disclose to prospective purchasers all of the information relating to the Investment Property (and the applicable Issuer) that is in the Agent's possession or otherwise available to the Agent.

(xi) Each Loan Party Obligor hereby authorizes and instructs their respective Issuer to comply with any instruction received by it from Agent in writing that (i) states that an Event of Default has occurred and is continuing and (ii) is otherwise in accordance with the terms of the provisions of this Agreement as to Investment Property, without any other or further instructions from the respective Loan Party Obligor, and such Loan Party Obligor agrees that Issuer be fully protected in so complying.

(h) **Election of Remedies.** Agent shall have the right in Agent's sole discretion to determine which rights, security, Liens or remedies Agent may at any time pursue, foreclose upon, relinquish, subordinate, modify or take any other action with respect to, without in any way impairing, modifying or affecting any of Agent's other rights, security, Liens or remedies with respect to any Collateral or any of Agent's rights or remedies under this Agreement or any other Loan Document.

(i) **Agent's Obligations.** Each Loan Party Obligor agrees that Agent shall not have any obligation to preserve rights to any Collateral against prior parties or to marshal any Collateral of any kind for the benefit of any other creditor of any Loan Party Obligor or any other Person. Agent shall not be responsible to any Loan Party Obligor or any other Person for loss or damage resulting from Agent's failure to enforce its Liens or collect any Collateral or Proceeds or any monies due or to become due under the Obligations or any other liability or obligation of any Loan Party Obligor to Agent.

(j) **Waiver of Rights by Loan Party Obligors.** Except as otherwise expressly provided for in this Agreement or by non-waivable applicable law, each Loan Party waives (i) presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Agent on which any Loan Party Obligor may in any way be liable, and

hereby ratifies and confirms whatever Agent may do in this regard, (ii) all rights to notice and a hearing prior to Agent's taking possession or control of, or to Agent's replevy, attachment or levy upon, the Collateral or any bond or security which might be required by any court prior to allowing Agent to exercise any of its remedies and (iii) the benefit of all valuation, appraisal, marshaling and exemption laws. If any notice of a proposed sale or other disposition of any part of the Collateral is required under applicable law, each Loan Party Obligor agrees that ten (10) calendar days prior notice of the time and place of any public sale and of the time after which any private sale or other disposition is to be made is commercially reasonable.

12. **LOAN GUARANTY**.

12.1. Guaranty. Each Loan Party Obligor hereby agrees that it is jointly and severally liable for, and absolutely and unconditionally guaranties to Agent, for the ratable benefit of the Lenders, the prompt payment when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, all of the Obligations and all costs and expenses, including all court costs and attorneys' and paralegals' fees (including internal and external counsel and paralegals) and expenses of Agent or any Lender in endeavoring to collect all or any part of the Obligations from, or in prosecuting any action against, any Borrower, any Loan Party Obligor or any Other Obligor of all or any part of the Obligations (and such costs and expenses paid or incurred shall be deemed to be included in the Obligations). Each Loan Party Obligor further agrees that the Obligations may be extended or renewed in whole or in part without notice to or further assent from it, and that it remains bound upon its guaranty notwithstanding any such extension or renewal. All terms of this Loan Guaranty apply to and may be enforced by or on behalf of any branch or Affiliate of Agent that extended any portion of the Obligations.

12.2. Guaranty of Payment. This Loan Guaranty is a guaranty of payment and not of collection. Each Loan Party Obligor waives any right to require Agent to sue or otherwise take action against any Borrower, any other Loan Party Obligor, any Other Obligor, or any other Person obligated for all or any part of the Obligations, or otherwise to enforce its payment against any Collateral securing all or any part of the Obligations.

12.3. No Discharge or Diminishment of Loan Guaranty.

(a) Except as otherwise expressly provided for herein, the obligations of each Loan Party Obligor hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full in cash of all of the Obligations), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration, or compromise of any of the Obligations, by operation of law or otherwise; (ii) any change in the corporate existence, structure or ownership of any Borrower or any Obligor; (iii) any insolvency, bankruptcy, reorganization or other similar proceeding affecting any Borrower or any Obligor or their respective assets or any resulting release or discharge of any obligation of any Borrower or any Obligor; or (iv) the existence of any claim, setoff or other rights which any Loan Party Obligor may have at any time against any Borrower, any Obligor, Agent, or any other Person, whether in connection herewith or in any unrelated transactions.

(b) The obligations of each Loan Party Obligor hereunder are not subject to any defense or setoff, counterclaim, recoupment, or termination whatsoever by reason of the invalidity, illegality or unenforceability of any of the Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any Borrower or any Obligor of the Obligations or any part thereof.

(c) Further, the obligations of any Loan Party Obligor hereunder shall not be discharged or impaired or otherwise affected by: (i) the failure of Agent to assert any claim or demand or to enforce any remedy with respect to all or any part of the Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the Obligations; (iii) any release, non-perfection or invalidity of any indirect or direct security for all or any part of the Obligations or all or any part of any obligations of any Obligor; (iv) any action or failure to act by Agent with respect to any Collateral; or (v) any default, failure or delay, willful or otherwise, in the payment or performance of any of the Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such Loan Party Obligor or that would otherwise operate as a discharge of any Loan Party Obligor as a matter of law or equity (other than the indefeasible payment in full in cash of all of the Obligations).

12.4. Defenses Waived. To the fullest extent permitted by applicable law, each Loan Party Obligor hereby waives any defense based on or arising out of any defense of any Loan Party Obligor or the unenforceability of all or any part of the Obligations from any cause, or the cessation from any cause of the liability of any Loan Party Obligor, other than the indefeasible payment in full in cash of all of the Obligations. Without limiting the generality of the foregoing, each Loan Party Obligor irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against any Borrower, any Obligor, or any other Person. Each Loan Party Obligor confirms that it is not a surety under any state law and shall not raise any such law as a defense to its obligations hereunder. Agent may, at its election, foreclose on any Collateral held by it by one or more judicial or nonjudicial sales, accept an assignment of any such Collateral in lieu of foreclosure or otherwise act or fail to act with respect to any Collateral, compromise or adjust any part of the Obligations, make any other accommodation with any Borrower or any Obligor or exercise any other right or remedy available to it against any Borrower or any Obligor, without affecting or impairing in any way the liability of any Loan Party Obligor under this Loan Guaranty except to the extent the Obligations have been fully and indefeasibly paid in cash. To the fullest extent permitted by applicable law, each Loan Party Obligor waives any defense arising out of any such election even though that election may operate, pursuant to applicable law, to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Loan Party Obligor against any Borrower or any Obligor or any security.

12.5. Rights of Subrogation. No Loan Party Obligor will assert any right, claim or cause of action, including a claim of subrogation, contribution or indemnification that it has against any Borrower or any Obligor, or any Collateral, until the Termination Date.

12.6. Reinstatement; Stay of Acceleration. If at any time any payment of any portion of the Obligations is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy or reorganization of any Borrower or any other Person, or otherwise, each Loan Party Obligor's obligations under this Loan Guaranty with respect to that payment shall be reinstated at such time as though the payment had not been made and whether or not Agent is in possession of this Loan Guaranty. If acceleration of the time for payment of any of the Obligations is stayed upon the insolvency, bankruptcy or reorganization of any Borrower, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Obligations shall nonetheless be payable by the Loan Party Obligors forthwith on demand by Agent. This Section 12.6 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Loans.

12.7. Information. Each Loan Party Obligor assumes all responsibility for being and keeping itself informed of each Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that each Loan Party Obligor assumes and incurs under this Loan Guaranty, and agrees that Agent shall not have any duty to advise any Loan Party Obligor of information known to it regarding those circumstances or risks.

12.8. Termination. To the maximum extent permitted by law, each Loan Party Obligor hereby waives any right to revoke this Loan Guaranty as to future Obligations. If such a revocation is effective notwithstanding the foregoing waiver, each Loan Party Obligor acknowledges and agrees that (a) no such revocation shall be effective until written notice thereof has been received by Agent, (b) no such revocation shall apply to any Obligations in existence on the date of receipt by Agent of such written notice (including any subsequent continuation, extension, or renewal thereof, or change in the interest rate, payment terms or other terms and conditions thereof), (c) no such revocation shall apply to any Obligations made or created after such date to the extent made or created pursuant to a legally binding commitment of Agent, (d) no payment by any Borrower, any other Loan Party Obligor, or from any other source, prior to the date of Agent's receipt of written notice of such revocation shall reduce the maximum obligation of any Loan Party Obligor hereunder and (e) any payment, by any Borrower or from any source other than a Loan Party Obligor which has made such a revocation, made subsequent to the date of such revocation, shall first be applied to that portion of the Obligations as to which the revocation is effective and which are not, therefore, guaranteed hereunder, and to the extent so applied shall not reduce the maximum obligation of any Loan Party Obligor hereunder.

12.9. Maximum Liability. The provisions of this Loan Guaranty are severable, and in any action or proceeding involving any state corporate law, or any state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Loan Party Obligor under this Loan Guaranty would otherwise be held or determined to be avoidable, invalid or unenforceable on account of the amount of such Loan Party Obligor's liability under this Loan Guaranty, then, notwithstanding any other provision of this Loan Guaranty to the contrary, the amount of such liability shall, without any further action by the Loan Party Obligors, Agent or any Lender, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding (such highest amount determined hereunder being the relevant Loan Party Obligor's ***"Maximum Liability"***). This Section 12.9 with respect to the Maximum Liability of each Loan Party Obligor is intended solely to preserve the rights of Agent and the Lenders to the maximum extent not subject to avoidance under applicable law, and no Loan Party Obligor or any other Person shall have any right or claim under this Section with respect to such Maximum Liability, except to the extent necessary so that the obligations of any Loan Party Obligor hereunder shall not be rendered voidable under applicable law. Each Loan Party Obligor agrees that the Obligations may at any time and from time to time exceed the Maximum Liability of each Loan Party Obligor without impairing this Loan Guaranty or affecting the rights and remedies of Agent hereunder; ***provided***, that nothing in this sentence shall be construed to increase any Loan Party Obligor's obligations hereunder beyond its Maximum Liability.

12.10. Contribution. In the event any Loan Party Obligor shall make any payment or payments under this Loan Guaranty or shall suffer any loss as a result of any realization upon any collateral granted by it to secure its obligations under this Loan Guaranty (such Loan Party Obligor a ***"Paying Guarantor"***), each other Loan Party Obligor (each a ***"Non-Paying Guarantor"***) shall contribute to such Paying Guarantor an amount equal to such Non-Paying Guarantor's ***"Relevant Percentage"*** of such payment or payments made, or losses suffered, by such Paying Guarantor. For purposes of this Section 12.10, each Non-Paying Guarantor's ***"Relevant Percentage"*** with respect to any such payment or loss by a Paying Guarantor shall be determined as of the date on which such payment or loss was made by reference to the ratio of (x) such Non-Paying Guarantor's Maximum Liability as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder) or, if such Non-Paying Guarantor's Maximum Liability has not been determined, the aggregate amount of all monies received by such Non-Paying Guarantor from any Borrower after the date hereof (whether by loan, capital infusion or by other means) to (y) the aggregate Maximum Liability of all Loan Party Obligors hereunder (including such Paying Guarantor) as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder), or to the extent that a Maximum Liability has not been determined for any Loan Party Obligor, the aggregate amount of all monies received by such Loan Party Obligors from any Borrower after the date hereof (whether by loan, capital infusion or by other means). Nothing in this

provision shall affect any Loan Party Obligor's several liability for the entire amount of the Obligations (up to such Loan Party Obligor's Maximum Liability). Each of the Loan Party Obligors covenants and agrees that its right to receive any contribution under this Loan Guaranty from a Non-Paying Guarantor shall be subordinate and junior in right of payment to the payment in full in cash of all of the Obligations. This provision is for the benefit of Agent and the Lenders and the Loan Party Obligors and may be enforced by any one, or more, or all of them, in accordance with the terms hereof.

12.11. Liability Cumulative. The liability of each Loan Party Obligor under this Section 12 is in addition to and shall be cumulative with all liabilities of each Loan Party Obligor to Agent and the Lenders under this Agreement and the other Loan Documents to which such Loan Party Obligor is a party or in respect of any obligations or liabilities of the other Loan Parties, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

13. **PAYMENTS FREE OF TAXES; OBLIGATION TO WITHHOLD; PAYMENTS ON ACCOUNT OF TAXES** .

(a) Any and all payments by or on account of any obligation of the Loan Party Obligors hereunder or under any other Loan Document shall to the extent permitted by applicable laws be made free and clear of and without reduction or withholding for any Taxes. If, however, applicable laws require the Loan Party Obligors to withhold or deduct any Tax, such Tax shall be withheld or deducted in accordance with such laws as the case may be, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(b) If any Loan Party Obligor shall be required by applicable law to withhold or deduct any Taxes from any payment, then (i) such Loan Party Obligor shall withhold or make such deductions as are required based upon the information and documentation it has received pursuant to subsection (e) below, (ii) such Loan Party Obligor shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the applicable law and (iii) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the Loan Party Obligors shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section) the Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made. Upon request by Agent or other Recipient, Borrower Representative shall deliver to Agent or such other Recipient, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment of Indemnified Taxes, a copy of any return required by applicable law to report such payment or other evidence of such payment reasonably satisfactory to Agent or such other Recipient, as the case may be.

(c) Without limiting the provisions of subsections (a) and (b) above, the Loan Party Obligors shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(d) Without limiting the provisions of subsections (a) through (c) above, each Loan Party Obligor shall, and does hereby, on a joint and several basis, indemnify Agent, each Lender and each other Recipient (and their respective directors, officers, employees, affiliates and agents) and shall make payment in respect thereof within ten days after demand therefor, for the full amount of any Indemnified Taxes and Other Taxes (including Indemnified Taxes and Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid or incurred by Agent, any Lender or any other Recipient on account of, or in connection with any Loan Document or a breach by a Loan Party Obligor thereof, and any penalties, interest and related expenses and losses arising therefrom or with respect thereto (including the fees, charges and disbursements of any internal or external counsel or other tax

advisor for Agent, any Lender or any other Recipient (or their respective directors, officers, employees, affiliates, and agents)), whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of any such payment or liability delivered to Borrower Representative shall be conclusive absent manifest error. Notwithstanding any provision in this Agreement to the contrary, this Section 13 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Loans.

(e) Each Lender shall deliver to Borrower Representative and each Lender and each Participant shall deliver to Agent, at the time or times prescribed by applicable laws, such properly completed and executed documentation prescribed by applicable laws or by the taxing authorities of any jurisdiction and such other reasonably requested information as will permit Borrower Representative or Agent, as the case may be, to determine (x) whether or not payments made hereunder or under any other Loan Document are subject to Taxes, (y) if applicable, the required rate of withholding or deduction and (z) such Lender's or Participant's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of all payments to be made to such Recipient by the Loan Party Obligors pursuant to this Agreement or otherwise to establish such Recipient's status for withholding tax purposes in the applicable jurisdiction; ***provided***, that each Recipient shall only be required to deliver such documentation as it may legally provide. Without limiting the generality of the foregoing, if a Borrower is resident for tax purposes in the United States:

(i) each Lender (or Participant) that is a ***"United States person"*** within the meaning of Section 7701(a)(30) of the Code shall deliver to Borrower Representative and Agent (or any Lender granting a participation as applicable) an executed original of Internal Revenue Service Form W-9 or such other documentation or information prescribed by applicable law or reasonably requested by Borrower Representative or Agent (or Lender granting a participation) as will enable Borrower Representative or Agent (or Lender granting a participation) as the case may be, to determine whether or not such Lender (or Participant) is subject to backup withholding or information reporting requirements under the Code;

(ii) each Lender (or Participant) that is not a ***"United States person"*** within the meaning of Section 7701(a)(30) of the Code (a ***"Non-U.S. Recipient"***) shall deliver to Borrower Representative and Agent (or any Lender granting a participation in case the Non-U.S. Recipient is a Participant) on or prior to the date on which such Non-U.S. Person becomes a party to this Agreement or a Participant (and from time to time thereafter upon the reasonable request of Borrower Representative or Agent but only if such Non-U.S. Recipient is legally entitled to do so), whichever of the following is applicable: (A) executed originals of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States is a party; (B) executed originals of Internal Revenue Service Form W-8ECI; (C) executed originals of Internal Revenue Service Form W-8IMY and all required supporting documentation; (D) each Non-U.S. Recipient claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, shall provide (x) a certificate to the effect that such Non-U.S. Recipient is not (1) a ***"bank"*** within the meaning of section 881(c)(3)(A) of the Code, (2) a ***"10 percent shareholder"*** of Borrowers within the meaning of section 881(c)(3)(B) of the Code, or (3) a ***"controlled foreign corporation"*** described in section 881(c)(3)(C) of the Code and (y) executed originals of Internal Revenue Service Form W-8BEN; and/or (E) executed originals of any other form prescribed by applicable law (including FATCA) as a basis for claiming exemption from or a reduction in United States Federal withholding tax together with such supplementary documentation as may be prescribed by applicable law to permit Borrower Representative or Agent to determine the withholding or deduction required to be made. Each Non-U.S. Recipient shall promptly notify Borrower Representative and Agent (or any Lender granting a participation if the Non-U.S. Recipient is a Participant) of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

14. AGENT

14.1. Appointment. Each of the Lenders hereby irrevocably appoints Agent as its agent and authorizes Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, Agent shall have the sole and exclusive authority to (a) act as the disbursing and collecting agent for Lenders with respect to all payments and collections arising in connection with the Loan Documents; (b) execute and deliver as Agent, each Loan Document, including any intercreditor or subordination agreement, and accept delivery of each Loan Document; (c) make Loans, for itself or on behalf of Lenders, as provided in the Loan Documents, (d) act as collateral agent for Lenders for purposes of perfecting and administering Liens under the Loan Documents, and for all other purposes stated therein and execute or file any and all financing or similar statements or notices, amendments, renewals, supplements, documents, instruments, proofs of claim, notices and other written agreements with respect to the Loan Documents; (e) manage, supervise or otherwise deal with Collateral; (f) exclusively receive, apply, and distribute payments and proceeds of the Collateral as provided in the Loan Documents, (g) open and maintain such bank accounts and cash management arrangements as Agent deems necessary and appropriate in accordance with the Loan Documents, (h) take any Enforcement Action or otherwise exercise any rights or remedies with respect to any Collateral or under any Loan Documents, applicable law or otherwise, including the determination of eligibility of Accounts and Inventory, the necessity and amount of Reserves and all other determinations and decisions relating to ordinary course administration of the credit facilities contemplated hereunder; and (i) incur and pay such expenses as Agent may deem necessary or appropriate for the performance and fulfillment of its functions and powers pursuant to the Loan Documents, whether or not any Loan Party is obligated to reimburse Agent or Lenders for such expenses pursuant to the Loan Documents or otherwise. The provisions of this Article are solely for the benefit of Agent and the Lenders, and the Loan Parties shall not have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" as used herein or in any other Loan Documents (or any similar term) with reference to Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

14.2. Rights as a Lender. The Person serving as Agent hereunder, if it is a Lender, shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not Agent, and such Person and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with any Loan Party or any Subsidiary or any Affiliate thereof as if it were not Agent hereunder without notice to or consent of the other Lenders.

14.3. Duties and Obligations. Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that Agent is required to exercise as directed in writing by the Required Lenders, and, (c) except as expressly set forth in the Loan Documents, Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any Subsidiary that is communicated to or obtained by the Person serving as Agent or any of its Affiliates in any capacity. Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders or in the absence of its own gross negligence or willful misconduct as determined by a final nonappealable judgment of a court of competent jurisdiction. Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to Agent by a Borrower or a Lender, and Agent shall not be responsible for or have any duty to ascertain or inquire

into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (v) the creation, perfection or priority of Liens on the Collateral or the existence of the Collateral, or (vi) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to Agent. Agent shall be under no obligation to any Lender 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 Loan Document, or to inspect the books and records or properties of any Loan Party.

14.4. Reliance. Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. Agent may consult with and employ Agent Professionals, and shall be entitled to act upon, and shall be fully protected in any action taken in good faith reliance upon, any advice given by an Agent Professional (who may be counsel for any Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document, unless Agent shall first receive such advice or concurrence of the Lenders as it deems appropriate and until such instructions are received, Agent shall act, or refrain from acting, as it deems advisable. If Agent so requests, it shall first be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders.

14.5. Actions through Sub-Agents. Agent may perform any and all of its duties and exercise its rights and powers by or through any one or more sub-agents appointed by Agent. Agent may also perform its duties through employees and other Agent-Related Persons. Agent shall not be responsible for the negligence or misconduct of any sub-agent, employee or Agent Professional that it selects as long as such selection was made without gross negligence or willful misconduct. Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers through their respective Affiliates and other related parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the related parties of Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

14.6. Resignation. Subject to the appointment and acceptance of a successor Agent as provided in this paragraph, Agent may resign at any time by notifying the Lenders and Borrower Representative. Upon any such resignation, the Required Lenders shall have the right, in consultation with Borrower Representative, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent. Upon the acceptance of its appointment as Agent hereunder by its successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. The fees payable by Borrowers to a successor Agent shall be the same as those payable to its predecessor, unless otherwise agreed by Borrower Representative and such

successor. Notwithstanding the foregoing, in the event no successor Agent shall have been so appointed and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its intent to resign, the retiring Agent may give notice of the effectiveness of its resignation to the Lenders and Borrower Representative, whereupon, on the date of effectiveness of such resignation stated in such notice, (a) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents, provided that, solely for purposes of maintaining any security interest granted to the Agent under any Loan Document for the benefit of the Lenders, the retiring Agent shall continue to be vested with such security interest as collateral agent for the benefit of the Lenders and, in the case of any Collateral in the possession of Agent, shall continue to hold such Collateral, in each case until such time as a successor Agent is appointed and accepts such appointment in accordance with this paragraph (it being understood and agreed that the retiring Agent shall have no duly or obligation to take any further action under any Loan Document, including any action required to maintain the perfection of any such security interest), and (b) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, provided that (i) all payments required to be made hereunder or under any other Loan Document to the Agent for the account of any Person other than Agent shall be made directly to such Person and (ii) all notices and other communications required or contemplated to be given or made to Agent shall also directly be given or made to each Lender. Following the effectiveness of the Agent's resignation from its capacity as such, the provisions of this Article, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective related parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Agent and in respect of the matters referred to in the proviso under clause (a) above.

14.7. Non-Reliance.

(a) Each Lender acknowledges and agrees that none of the Agent-Related Persons has made any representation or warranty to it, and that no act by Agent hereinafter taken, including any review of the affairs of Borrowers and their respective Subsidiaries or Affiliates, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender. Each Lender further acknowledges the extensions of credit made hereunder are commercial loans and not investments in a business enterprise or securities. Each Lender further represents that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and has, independently and without reliance upon any Agent-Related Person, any arranger of this credit facility or any amendment thereto or any other Lender and based on such due diligence, documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of any Borrower or any other Person party to a Loan Document, and all applicable laws relating to the transactions contemplated hereby, and made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder. Each Lender shall, independently and without reliance upon any Agent-Related Person, any arranger of this credit facility or any amendment thereto or any other Lender and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning any Borrower and its Affiliates) as it shall from time to time deem appropriate, continue to make its own credit analysis and decisions in taking or not taking action under or based upon this Agreement, any other Loan Document, any related agreement or any document furnished hereunder or thereunder , and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of any Borrower or any other Person party to a Loan Document and in deciding whether or to the extent to which it will continue as a Lender or assign or otherwise transfer its rights, interests and obligations hereunder. Except for notices, reports, and other documents expressly herein required to be furnished to the Lenders by Agent, Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Borrower or any other Person party to a Loan Document that may

come into the possession of any of the Agent-Related Persons. Each Lender acknowledges that Agent does not have any duty or responsibility, either initially or on a continuing to provide such Lender with any credit or other information with respect to any Borrower, its Affiliates or any of their respective business, legal, financial or other affairs, and irrespective of whether such information came into Agent's or its Affiliates' or representatives' possession before or after the date on which such Lender became a party to this Agreement.

(b) Each Lender hereby agrees that (i) it has requested a copy of each appraisal, audit or field examination report prepared by or on behalf of Agent; (ii) Agent (A) makes no representation or warranty, express or implied, as to the completeness or accuracy of any such report or any of the information contained therein or any inaccuracy or omission contained in or relating to any such report and (B) shall not be liable for any information contained in any such report; (iii) such reports are not comprehensive audits or examinations, and that any Person performing any field examination will inspect only specific information regarding the Loan Parties and will rely significantly upon the Loan Parties' books and records, as well as on representations of the Loan Parties' personnel and that Agent undertakes no obligation to update, correct or supplement such reports; (iv) it will keep all such reports confidential and strictly for its internal use, not share any such report with any Loan Party or any other Person except as otherwise permitted pursuant to this Agreement; and (v) without limiting the generality of any other indemnification provision contained in this Agreement, (A) it will hold Agent and any such other Person preparing any such report harmless from any action the indemnifying Lender may take or conclusion the indemnifying Lender may reach or draw from any such report in connection with any extension of credit that the indemnifying Lender has made or may make to any Borrower, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a Loan or Loans; and (B) it will pay and protect, and indemnify, defend, and hold Agent and any such other Person preparing any such report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including reasonable attorneys' fees of both internal and external counsel) of Agent or any such other Person as the direct or indirect result of any third parties who might obtain all or part of any such report through the indemnifying Lender.

14.8. Not Partners or Co-Venturers; Agent as Representative of the Secured Parties.

(a) The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in the case of Agent) authorized to act for, any other Lender. Agent shall have the exclusive right on behalf of the Lenders to enforce the payment of the principal of and interest on any Loan after the date such principal or interest has become due and payable pursuant to the terms of this Agreement.

(b) In its capacity, Agent is a "representative" of the Lenders within the meaning of the term "secured party" as defined in the UCC. Each Lender authorizes Agent to enter into each of the Loan Documents to which it is a party and to take all action contemplated by such documents. Each Lender agrees that no Lender (other than Agent) shall have the right individually to seek to realize upon the security granted by any Loan Document, it being understood and agreed that such rights and remedies may be exercised solely by Agent for the benefit of the Lenders upon the terms of the Loan Documents. In the event that any Collateral is hereafter pledged by any Person as collateral security for the Obligations, Agent is hereby authorized, and hereby granted a power of attorney, to execute and deliver on behalf of the Lenders any Loan Documents necessary or appropriate to grant and perfect a Lien on such Collateral in favor of Agent on behalf of the Lenders.

(c) Agent hereby appoints each other Lender as its agent (and each Lender hereby accepts such appointment) for the purpose of perfecting Agent's Liens in assets which, in accordance with Article 8 or Article 9, as applicable, of the UCC can be perfected by possession or control. Should any Lender obtain possession or control of any such Collateral, such Lender shall notify Agent thereof, and,

promptly upon Agent's request therefor shall deliver possession or control of such Collateral to Agent or in accordance with Agent's instructions. Agent shall have no obligation whatsoever to any of the Lenders (i) to verify or assure that the Collateral exists or is owned by any Borrower or its Subsidiaries or is cared for, protected, or insured or has been encumbered, (ii) to verify or assure that Agent's Liens have been properly or sufficiently or lawfully created, perfected, protected, or enforced or are entitled to any particular priority, (iii) to verify or assure that any particular items of Collateral meet the eligibility criteria applicable in respect thereof, (iv) to impose, maintain, increase, reduce, implement or eliminate any particular reserve hereunder or to determine whether the amount of any reserve is appropriate or not, or (v) to exercise at all or in any particular manner or under any duty of care, disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to Agent pursuant to any of the Loan Documents, it being understood and agreed that in respect of the Collateral, or any act, omission, or event related thereto, subject to the terms and conditions contained herein,

14.9. Credit Bidding. The Loan Parties and the Lenders hereby irrevocably authorize Agent, based upon the instruction of the Required Lenders, to Credit Bid and purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (and the Loan Parties shall approve Agent as a qualified bidder and such Credit Bid as qualified bid) at any sale thereof conducted by Agent, based upon the instruction of the Required Lenders, under any provisions of the UCC, as part of any sale or investor solicitation process conducted by any Loan Party, any interim receiver, receiver, receiver and manager, administrative receiver, trustee, agent or other Person pursuant or under any insolvency laws; provided, however, that (i) the Required Lenders may not direct Agent in any manner that does not treat each of the Lenders equally, without preference or discrimination, in respect of consideration received as a result of the Credit Bid, (ii) the acquisition documents shall be commercially reasonable and contain customary protections for minority holders such as among other things, anti-dilution and tag-along rights, (iii) the exchanged debt or equity securities must be freely transferable, without restriction (subject to applicable securities laws) and (iv) reasonable efforts shall be made to structure the acquisition in a manner that causes the governance documents pertaining thereto to not impose any obligations or liabilities upon the Lenders individually (such as indemnification obligations). Agent, based upon the instruction of the Required Lenders, may accept non-cash consideration, including debt and equity securities issued by any entities used to consummate such Credit Bid or purchase and in connection therewith Agent may reduce the Obligations owed to the Lenders (ratably based upon the proportion of their Obligations credit bid in relation to the aggregate amount of Obligations so credit bid) based upon the value of such non-cash consideration. For purposes of the preceding sentence, the term "***Credit Bid***" shall mean, an offer submitted by Agent (on behalf of the Lender group), based upon the instruction of the Required Lenders, to acquire the property of any Loan Party or any portion thereof in exchange for and in full and final satisfaction of all or a portion (as determined by Agent, based upon the instruction of the Required Lenders) of the claims and Obligations under this Agreement and other Loan Documents.

14.10. Certain Collateral Matters. The Lenders irrevocably authorize Agent, at its option and in its discretion, (a) to release any Lien granted to or held by Agent under any Loan Document (i) upon termination of the Commitments and payment in full of all Loans and all other obligations of Borrowers hereunder; (ii) constituting property sold or to be sold or disposed of as part of or in connection with any disposition permitted hereunder (including the release of any guarantor); or (iii) subject to Section 15.5 if approved, authorized or ratified in writing by the Required Lenders; or (b) to subordinate its interest in any Collateral to any holder of a Lien on such Collateral which is permitted by clause (a) of the definition of Permitted Liens (it being understood that Agent may conclusively rely on a certificate from Borrower Representative in determining whether the Indebtedness secured by any such Lien is permitted hereunder). Upon request by Agent at any time, the Lenders will confirm in writing Agent's authority to release, or subordinate its interest in, particular types or items of Collateral pursuant to this Section 14.10. Agent may, and at the direction of Required Lenders shall, give blockage notices in connection with any subordinated debt and each Lender hereby authorizes Agent to give such notices. Each Lender further agrees that it will not act unilaterally to deliver such notices.

14.11. Restriction on Actions by Lenders. Each Lender agrees that it shall not, without the express written consent of Agent, and shall, upon the written request of Agent (to the extent it is lawfully entitled to do so), set off against the Obligations, any amounts owing by such Lender to a Loan Party or any deposit accounts of any Loan Party now or hereafter maintained with such Lender. Each of the Lenders further agrees that it shall not, unless specifically requested to do so in writing by Agent, take or cause to be taken, any action, including the commencement of any legal or equitable proceedings to foreclose any loan or otherwise enforce any security interest in any of the Collateral or to enforce all or any part of this Agreement or the other Loan Documents. All Enforcement Actions under this Agreement and the other Loan Documents against the Loan Parties or any third party with respect to the Obligations or the Collateral may only be taken by Agent (at the direction of the Required Lenders or as otherwise permitted in this Agreement) or by its agents at the direction of Agent.

14.12. Expenses. Agent is authorized and directed to deduct and retain sufficient amounts from payments or proceeds of the Collateral received by Agent to reimburse Agent for such out-of-pocket costs and expenses prior to the distribution of any amounts to Lenders. In the event Agent is not reimbursed for such costs and expenses by a Loan Party, each Lender hereby agrees that it is and shall be obligated to pay to Agent such Lender's ratable share thereof. Without limitation of the foregoing, each Lender shall reimburse Agent upon demand for such Lender's ratable share of any costs or out of pocket expenses (including Agent Professional fees and expenses) incurred by Agent in connection with the preparation, execution, delivery, administration, modification, amendment, or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any other Loan Document to the extent that Agent is not reimbursed for such expenses by or on behalf of Borrowers. The undertaking in this Section shall survive the payment of all Obligations hereunder and the resignation or replacement of Agent.

14.13. Notice of Default or Event of Default. Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest, fees, and expenses required to be paid to Agent for the account of the Lenders and, except with respect to Events of Default of which Agent has actual knowledge, unless Agent shall have received written notice from a Lender or Borrower referring to this Agreement, describing such Default or Event of Default, and stating that such notice is a "notice of default." Agent will promptly notify the Lenders of its receipt of any such notice or of any Event of Default of which Agent has actual knowledge. If any Lender obtains actual knowledge of any Event of Default, such Lender promptly shall notify the other Lenders and Agent of such Event of Default. Agent shall take such action with respect to such Default or Event of Default as may be requested by the Required Lenders in accordance with this Agreement; ***provided***, that unless and until Agent has received any such request, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable.

14.14. Liability of Agent. None of the Agent-Related Persons shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct), or (b) be responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by any Borrower or any of their respective Subsidiaries or Affiliates, or any officer or director thereof, contained in this Agreement or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of any Borrower, or any of their respective Subsidiaries or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lenders 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 Loan Document, or to inspect the books and records or properties of any Borrower or their respective Subsidiaries.

15. **GENERAL PROVISIONS**.

15.1. Notices.

(a) **Notice by Approved Electronic Communications**. Agent and each of its Affiliates is authorized to transmit, post or otherwise make or communicate, in its sole discretion (but shall not be required to do so), by Approved Electronic Communications in connection with this Agreement or any other Loan Document and the transactions contemplated therein. Agent is hereby authorized to establish procedures to provide access to and to make available or deliver, or to accept, notices, documents and similar items by posting to ABLSoft. All uses of ABLSoft and other Approved Electronic Communications shall be governed by and subject to, in addition to the terms of this Agreement, the separate terms, conditions and privacy policy posted or referenced in such system (or such terms, conditions and privacy policy as may be updated from time to time, including on such system) and any related contractual obligations executed by Agent and Loan Parties in connection with the use of such system. Each of the Loan Parties, the Lenders and Agent hereby acknowledges and agrees that the use of ABLSoft and other Approved Electronic Communications is not necessarily secure and that there are risks associated with such use, including risks of interception, disclosure and abuse and each indicates it assumes and accepts such risks by hereby authorizing Agent and each of its Affiliates to transmit Approved Electronic Communications. ABLSoft and all Approved Electronic Communications shall be provided ***"as is"*** and ***"as available"***. None of Agent or any of its Affiliates or related persons warrants the accuracy, adequacy or completeness of ABLSoft or any other electronic platform or electronic transmission and disclaims all liability for errors or omissions therein. No warranty of any kind is made by Agent or any of its Affiliates or related persons in connection with ABLSoft or any other electronic platform or electronic transmission, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects. Each Borrower and each other Loan Party executing this Agreement agrees that Agent has no responsibility for maintaining or providing any equipment, software, services or any testing required in connection with ABLSoft, any Approved Electronic Communication or otherwise required for ABLSoft or any Approved Electronic Communication. Prior to the Closing Date, Borrower Representative shall deliver to Agent a complete and executed Client User Form regarding Borrowers' use of ABLSoft in the form of Exhibit C annexed hereto. No Approved Electronic Communications shall be denied legal effect merely because it is made electronically. Approved Electronic Communications that are not readily capable of bearing either a signature or a reproduction of a signature may be signed, and shall be deemed signed, by attaching to, or logically associating with such Approved Electronic Communication, an E-Signature, upon which Agent and the Loan Parties may rely and assume the authenticity thereof. Each Approved Electronic Communication containing a signature, a reproduction of a signature or an E-Signature shall, for all intents and purposes, have the same effect and weight as a signed paper original. Each E-Signature shall be deemed sufficient to satisfy any requirement for a ***"signature"*** and each Approved Electronic Communication shall be deemed sufficient to satisfy any requirement for a ***"writing"***, in each case including pursuant to this Agreement, any other Loan Document, the UCC, the Federal Uniform Electronic Transactions Act, the Electronic Signatures in Global and National Commerce Act and any substantive or procedural law governing such subject matter. Each party or beneficiary hereto agrees not to contest the validity or enforceability of an Approved Electronic Communication or E-Signature under the provisions of any applicable law requiring certain documents to be in writing or signed; ***provided***, that nothing herein shall limit such party's or beneficiary's right to contest whether an Approved Electronic Communication or E-Signature has been altered after transmission.

(b) **All Other Notices**. All notices, requests, demands and other communications under or in respect of this Agreement or any transactions hereunder, other than those approved for or required to be delivered by Approved Electronic Communications (including via ABLSoft or otherwise pursuant to Section 15.1(a)), shall be in writing and shall be personally delivered or mailed (by prepaid registered or certified mail, return receipt requested), sent by prepaid recognized overnight courier service, or by email to the applicable party at its address or email address indicated below,

If to Agent:

ENCINA BUSINESS CREDIT, LLC,
as Agent
123 N Wacker Suite 2400
Chicago, IL 60606
Attention:
Email: @encinabc.com

with a copy to:

McDonald Hopkins LLC
600 Superior Avenue East, Suite 2100
Cleveland, Ohio 44114
Attention: Jim Stief
Email: jstief@mcdonaldhopkins.com

If to Borrower Representative, any Borrower or any other Loan Party:

Precision Industries, Inc.
325 East Warm Springs Road
Suite 102
Las Vegas, Nevada 89119
Attention: Virland Johnson
Email: virland.johnson@isaac.com

and to:

Precision Industries, Inc.
325 East Warm Springs Road
Suite 102
Las Vegas, Nevada 89119
Attention: Michael J. Stein, Senior Vice President, General Counsel
Email: mstein@liveventures.com

and to:

Baker & Hostetler LLP
312 Walnut Street, Suite 3200
Cincinnati, Ohio 45202
Attention: Rob Morwood
Email: rmorwood@bakerlaw.com

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party delivered as aforesaid. All such notices, requests, demands and other communications shall be deemed given (i) when personally delivered, (ii) three Business Days after being deposited in the mails with postage prepaid (by registered or certified mail, return receipt requested), (iii) one Business Day after being delivered to the overnight courier service, if prepaid and sent overnight delivery, addressed as aforesaid and with all charges prepaid or billed to the account of the sender or (iv) when sent by email transmission to an email address designated by such addressee and the sender receives a confirmation of transmission.

15.2. Severability. If any provision of this Agreement or any other Loan Document is held invalid or unenforceable, either in its entirety or by virtue of its scope or application to given circumstances, such provision shall thereupon be deemed modified only to the extent necessary to render same valid, or not applicable to given circumstances, or excised from this Agreement or such other Loan Document, as the situation may require, and this Agreement and the other Loan Documents shall be construed and enforced as if such provision had been included herein as so modified in scope or application, or had not been included herein or therein, as the case may be.

15.3. Integration. This Agreement and the other Loan Documents represent the final, entire and complete agreement between each Loan Party that is a party hereto and thereto and Agent and supersede all prior and contemporaneous negotiations, oral representations and agreements, all of which are merged and integrated into this Agreement. THERE ARE NO ORAL UNDERSTANDINGS, REPRESENTATIONS OR AGREEMENTS BETWEEN THE PARTIES THAT ARE NOT SET FORTH IN THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS.

15.4. Waivers. The failure of Agent and the Lenders at any time or times to require any Loan Party to strictly comply with any of the provisions of this Agreement or any other Loan Documents shall not waive or diminish any right of Agent later to demand and receive strict compliance therewith. Any waiver of any default shall not waive or affect any other default, whether prior or subsequent, and whether or not similar. None of the provisions of this Agreement or any other Loan Document shall be deemed to have been waived by any act or knowledge of Agent or its agents or employees, but only by a specific written waiver signed by an authorized officer of Agent and any necessary Lenders and delivered to Borrowers. Once an Event of Default shall have occurred, it shall be deemed to continue to exist and not be cured or waived unless specifically waived in writing by an authorized officer of Agent and Required Lenders and delivered to Borrowers. Each Loan Party Obligor waives demand, protest, notice of protest and notice of default or dishonor, notice of payment and nonpayment, release, compromise, settlement, extension or renewal of any commercial paper, Instrument, Account, General Intangible, Document, Chattel Paper, Investment Property or guaranty at any time held by Agent on which such Loan Party Obligor is or may in any way be liable, and notice of any action taken by Agent, unless expressly required by this Agreement, and notice of acceptance hereof.

15.5. Amendments.

(a) No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement or the other Loan Documents shall in any event be effective unless the same shall be in writing and acknowledged by the Required Lenders, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, that, except to the extent set forth in Section 14.9 hereof, no amendment, modification, waiver or consent shall (i) extend or increase the Commitment of any Lender without the written consent of such Lender, (ii) extend the date scheduled for payment of any principal (excluding mandatory prepayments) of or interest on the Loans or any fees payable hereunder without the written consent of each Lender directly affected thereby, (iii) reduce the principal amount of any Loan, the rate of interest thereon or any fees payable hereunder, without the consent of each Lender directly affected thereby; (iv) amend or

modify the definitions of Borrowing Base, Eligible Accounts or Eligible Inventory, or any components thereof (including, without limitation, any Advance Rates), without the written consent of each Lender; or (v) release any guarantor from its obligations under any Guaranty, other than as part of or in connection with any disposition permitted hereunder, or release or subordinate its liens on all or any substantial part of the Collateral granted under any of the other Loan Documents (except as permitted by Section 14.10), change the definition of Required Lenders, any provision of Section 6.2, any provision of this Section 15.4, the provisions of Section 14.9 or reduce the aggregate Pro Rata Share required to effect an amendment, modification, waiver or consent, without, in each case set forth in this clause (v), the written consent of all Lenders. No provision of Section 14 or other provision of this Agreement affecting Agent in its capacity as such shall be amended, modified or waived without the consent of Agent.

(b) If, in connection with any proposed amendment, modification, waiver or termination requiring the consent of all Lenders, the consent of the Required Lenders is obtained, but the consent of other Lenders whose consent is required is not obtained (any such Lender whose consent is not obtained being referred to as a "***Non-Consenting Lender***"), then, so long as Agent is not a Non-Consenting Lender, Agent and/or a Person or Persons reasonably acceptable to Agent shall have the right to purchase from such Non-Consenting Lenders, and such Non-Consenting Lenders agree that they shall, upon Agent's request, sell and assign to Agent and/or such Person or Persons, all of the Loans and Commitments of such Non-Consenting Lenders for an amount equal to the principal balance of all such Loans and Commitments held by such Non-Consenting Lenders and all accrued interest, fees, expenses and other amounts then due with respect thereto through the date of sale, such purchase and sale to be consummated pursuant to an executed Assignment and Assumption.

15.6. Time of Essence. Time is of the essence in the performance by each Loan Party Obligor of each and every obligation under this Agreement and the other Loan Documents.

15.7. Expenses, Fee and Costs Reimbursement. Each Borrower hereby agrees to promptly pay (a) all out of pocket costs and expenses of Agent (including the out of pocket fees, costs and expenses of internal and external legal counsel to, and appraisers, accountants, consultants and other professionals and advisors retained by or on behalf of, Agent) in connection with (i) all loan proposals and commitments pertaining to the transactions contemplated hereby (whether or not such transactions are consummated), (ii) the examination, review, due diligence investigation, documentation, negotiation, and closing of the transactions contemplated by the Loan Documents (whether or not such transactions are consummated), (iii) the creation, perfection and maintenance of Liens pursuant to the Loan Documents, (iv) the performance or enforcement by Agent of its rights and remedies under the Loan Documents (or determining whether or how to perform or enforce such rights and remedies), (v) the administration of the Loans (including usual and customary fees for wire transfers and other transfers or payments received by Agent on account of any of the Obligations) and Loan Documents, (vi) any amendments, modifications, consents and waivers to and/or under any and all Loan Documents (whether or not such amendments, modifications, consents or waivers are consummated), (vii) any periodic public record searches conducted by or at the request of Agent (including, title investigations and public records searches), pending litigation and tax lien searches and searches of applicable corporate, limited liability company, partnership and related records concerning the continued existence, organization and good standing of certain Persons), (viii) protecting, storing, insuring, handling, maintaining, auditing, examining, valuing or selling any Collateral, (ix) any litigation, dispute, suit or proceeding relating to any Loan Document and (x) any workout, collection, bankruptcy, insolvency and other enforcement proceedings under any and all of the Loan Documents (it being agreed that (A) such costs and expenses may include the costs and expenses of workout consultants, investment bankers, financial consultants, appraisers, valuation firms and other professionals and advisors retained by or on behalf of Agent (B) each Lender shall also be entitled to reimbursement for all out of pocket costs and expense of the type described in this clause (x), ***provided*** that, to the extent of an actual or reasonably perceived conflict of interest, such reimbursement shall be limited to one additional counsel for the Lenders as a whole), and (b) without limiting the

preceding clause (a), all out of pocket costs and expenses of Agent in connection with Agent's reservation of funds in anticipation of the funding of the initial Loans to be made hereunder. Any fees, costs and expenses owing by any Borrower or other Loan Party Obligor hereunder shall be due and payable within three days after written demand therefor.

15.8. Benefit of Agreement; Assignability. The provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors, assigns, heirs, beneficiaries and representatives of each Borrower, each other Loan Party Obligor party hereto, Agent and each Lender; ***provided***, that neither each Borrower nor any other Loan Party Obligor may assign or transfer any of its rights under this Agreement without the prior written consent of Agent and each Lender, and any prohibited assignment shall be void. No consent by Agent or any Lender to any assignment shall release any Loan Party Obligor from its liability for any of the Obligations. Each Lender shall have the right to assign all or any of its rights and obligations under the Loan Documents to one or more other Persons in accordance with Section 15.9, and each Loan Party Obligor agrees to execute all agreements, instruments, and documents requested by any Lender in connection with such assignment. Notwithstanding any provision of this Agreement or any other Loan Document to the contrary, a Lender may at any time pledge or grant a security interest in all or any portion of its rights under this Agreement and the other Loan Documents to secure any obligations of such Lender, including any pledge or grant to secure obligations to a Federal Reserve Bank.

15.9. Assignments.

(a) Any Lender may at any time assign to one or more Persons (any such Person, an " ***Assignee***") all or any portion of such Lender's Loans and Commitments, with the prior written consent of Agent and, so long as no Event of Default exists, Borrower Representative (which consents shall not be unreasonably withheld or delayed and shall not be required for an assignment by a Lender to a Lender (other than a Defaulting Lender) or an Affiliate of a Lender (other than an Affiliate of a Defaulting Lender) or an Approved Fund (other than an Approved Fund of a Defaulting Lender)). Except as Agent may otherwise agree, any such assignment shall be in a minimum aggregate amount equal to $1,000,000 or, if less, the remaining Commitment and Loans held by the assigning Lender (provided, that an assignment to a Lender, an Affiliate of a Lender or an Approved Fund shall not be subject to the foregoing minimum assignment limitations). The Loan Parties and Agent shall be entitled to continue to deal solely and directly with such Lender in connection with the interests so assigned to an Assignee until Agent shall have received and accepted an effective Assignment and Assumption executed, delivered and fully completed by the applicable parties thereto and a processing fee of $3,500. Notwithstanding anything herein to the contrary, no assignment may be made to any equity holder of a Loan Party, any Affiliate of any equity holder of a Loan Party, any Loan Party, any holder of any debt that is secured by liens or security interests that have been contractually subordinated to the liens and security interests securing the Obligations, or any Affiliate of any of the foregoing Persons without the prior written consent of Agent, which consent may be withheld in Agent's sole discretion and, in any event, if granted, may be conditioned on such terms and conditions as Agent shall require in its sole discretion, including, without limitation, a limitation on the aggregate amount of Loans and Commitments which may be held by such Person and/or its Affiliates and/or limitations on such Person's and/or its Affiliates' voting and consent rights and/or rights to attend Lender meetings or obtain information provided to other Lenders. Any attempted assignment not made in accordance with this Section 15.9 shall be null and void. Each Borrower shall be deemed to have granted its consent to any assignment requiring its consent hereunder unless Borrower Representative has expressly objected to such assignment within five (5) Business Days after notice thereof.

(b) From and after the date on which the conditions described in Section 15.9(a) above have been met, (i) such Assignee shall be deemed automatically to have become a party hereto and, to the extent that rights and obligations hereunder have been assigned to such Assignee pursuant to the applicable Assignment and Assumption, shall have the rights and obligations of a Lender hereunder and (ii) the assigning Lender, to the extent that rights and obligations hereunder have been assigned by it pursuant to the applicable Assignment and Assumption, shall be released from its rights (other than its indemnification rights) and obligations hereunder. Upon the request of the Assignee (and, as applicable, the assigning Lender) pursuant to an effective Assignment and Assumption, Borrowers shall execute and deliver to Agent for delivery to the Assignee (and, as applicable, the assigning Lender) (x) if such Lender is receiving an assignment of Revolving Loans, a promissory note in the principal amount of the Assignee's Pro Rata Share of the aggregate Revolving Loan Commitment (and, as applicable, a promissory note in the principal amount of the Pro Rata Share of the aggregate Revolving Loan Commitment retained by the assigning Lender) and (y) if such Lender is receiving an assignment of a Term Loan, a promissory note in the principal amount of the Assignee's outstanding Term Loan (and, as applicable, a promissory note in the principal amount of the Term Loan retained by assigning Lender). Each such promissory note shall be dated the effective date of such assignment. Upon receipt by Agent of such promissory note(s), the assigning Lender shall return to Borrowers any prior promissory note held by it.

(c) Agent shall, as a non-fiduciary agent of Borrowers, maintain a copy of each Assignment and Assumption delivered and accepted by it and register (the "***Register***") for the recordation of names and addresses of the Lenders and the Commitment of each Lender and principal and stated interest of each Loan owing to each Lender from time to time and whether such Lender is the original Lender or the Assignee. No assignment shall be effective unless and until the Assignment and Assumption is accepted and registered in the Register. All records of transfer of a Lender's interest in the Register shall be conclusive, absent manifest error, as to the ownership of the interests in the Loans. Agent shall not incur any liability of any kind with respect to any Lender with respect to the maintenance of the Register. Each Lender granting a participation shall, as a non-fiduciary agent of the Borrowers, maintain a register containing information similar to that of the Register in a manner such that the loans hereunder are in "registered form" for the purposes of the Code. This Section and Section 15.9 shall be construed so that the Loans are at all times maintained in "registered form" for the purpose of the Code and any related regulations (and any successor provisions).

15.10. Participations. Anything in this Agreement or any other Loan Document to the contrary notwithstanding, any Lender may, at any time and from time to time, without in any manner affecting or impairing the validity of any Obligations, sell to one or more Persons participating interests in its Loans, commitments or other interests hereunder or under any other Loan Document (any such Person, a ***"Participant"***). In the event of a sale by a Lender of a participating interest to a Participant, (a) such Lender's obligations hereunder and under the other Loan Documents shall remain unchanged for all purposes, (b) Borrowers and such Lender shall continue to deal solely and directly with each other in connection with such Lender's rights and obligations hereunder and under the other Loan Documents and (c) all amounts payable by Borrowers shall be determined as if such Lender had not sold such participation and shall be paid directly to such Lender; ***provided,*** that a Participant shall be entitled to the benefits of Section 13 as if it were a Lender if Borrower Representative is notified of the Participation and the Participant complies with Section 13. Each Borrower agrees that if amounts outstanding under this Agreement or any other Loan Document are due and payable (as a result of acceleration or otherwise), each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement and the other Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement; ***provided***, that such right of set-off shall not be exercised without the prior written consent of such Lender and shall be subject to the obligation of each Participant to share with such Lender its share thereof. Each Borrower also agrees that each Participant shall be entitled to the benefits of Section 15.9 as if it were a Lender.

Notwithstanding the granting of any such participating interests, (i) Borrowers shall look solely to the applicable Lender for all purposes of this Agreement, the Loan Documents and the transactions contemplated hereby, (ii) Borrowers shall at all times have the right to rely upon any amendments, waivers or consents signed by the applicable Lender as being binding upon all of the Participants and (iii) all communications in respect of this Agreement and such transactions shall remain solely between Borrowers and the applicable Lender (exclusive of Participants) hereunder. If a Lender grants a participation hereunder, such Lender shall maintain, as a non-fiduciary agent of Borrowers, a register as to the participations granted and transferred under this Section containing the same information specified in Section 15.9 on the Register as if each Participant were a Lender to the extent required to cause the Loans to be in registered form for the purposes of Sections 163(F), 165(J), 871, 881, and 4701 of the Code.

15.11. Headings; Construction. Section and subsection headings are used in this Agreement only for convenience and do not affect the meanings of the provisions that they precede.

15.12. USA PATRIOT Act Notification . Agent hereby notifies the Loan Parties that pursuant to the requirements of the USA PATRIOT Act, it may be required to obtain, verify and record certain information and documentation that identifies such Person, which information may include the name and address of each such Person and such other information that will allow Agent to identify such Persons in accordance with the USA PATRIOT Act.

15.13. Counterparts; Fax/Email Signatures. This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same agreement. This Agreement may be executed by signatures delivered by facsimile or electronic mail, each of which shall be fully binding on the signing party.

15.14. GOVERNING LAW. THIS AGREEMENT, ALONG WITH ALL OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED OTHERWISE IN SUCH OTHER LOAN DOCUMENT) SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED THEREIN WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES. FURTHER, THE LAW OF THE STATE OF NEW YORK SHALL APPLY TO ALL DISPUTES OR CONTROVERSIES ARISING OUT OF OR CONNECTED TO OR WITH THIS AGREEMENT AND ALL SUCH OTHER LOAN DOCUMENTS WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES.

15.15. CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL; CONSENT TO SERVICE OF PROCESS . ANY LEGAL ACTION, SUIT OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL BE BROUGHT EXCLUSIVELY IN THE COURTS OF THE STATE OF ILLINOIS IN THE COUNTY OF COOK OR IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS OR IN ANY OTHER COURT (IN ANY JURISDICTION) SELECTED BY THE AGENT IN ITS SOLE DISCRETION, AND EACH BORROWER AND EACH OTHER LOAN PARTY OBLIGOR HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFOREMENTIONED COURTS. EACH BORROWER AND EACH OTHER LOAN PARTY OBLIGOR HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, OR BASED ON 28 U.S.C. § 1404, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING AND ADJUDICATION OF ANY SUCH ACTION, SUIT OR PROCEEDING IN ANY OF THE AFOREMENTIONED COURTS AND AMENDMENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT. TO

THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH BORROWER AND EACH OTHER LOAN PARTY OBLIGOR HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM CONCERNING ANY RIGHTS UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR UNDER ANY AMENDMENT, WAIVER, AMENDMENT, INSTRUMENT, DOCUMENT OR OTHER AGREEMENT DELIVERED OR WHICH IN THE FUTURE MAY BE DELIVERED IN CONNECTION HEREWITH OR THEREWITH, OR ARISING FROM ANY FINANCING RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE OTHER TRANSACTION DOCUMENTS, AND AGREES THAT ANY SUCH ACTION, PROCEEDING OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH BORROWER AND EACH OTHER LOAN PARTY OBLIGOR HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON ANY BORROWER OR ANY OTHER LOAN PARTY OBLIGOR AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY CERTIFIED MAIL (RETURN RECEIPT REQUESTED) DIRECTED TO BORROWER'S' NOTICE ADDRESS (ON BEHALF OF BORROWERS OR SUCH LOAN PARTY OBLIGOR) SET FORTH IN SECTION 15.1 AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE DAYS AFTER THE SAME SHALL HAVE BEEN SO DEPOSITED IN THE MAIL, OR, AT THE AGENT'S OPTION, BY SERVICE UPON ANY BORROWER OR ANY OTHER LOAN PARTY OBLIGOR IN ANY OTHER MANNER PROVIDED UNDER THE RULES OF ANY SUCH COURTS.

15.16. Publication. Each Borrower and each other Loan Party Obligor consents to the publication by Agent of a tombstone, press releases or similar advertising material relating to the financing transactions contemplated by this Agreement, and Agent reserves the right to provide to industry trade organizations information necessary and customary for inclusion in league table measurements.

15.17. Confidentiality. Agent and each Lender agree to use commercially reasonable efforts not to disclose Confidential Information to any Person without the prior consent of Borrower Representative; ***provided***, that nothing herein contained shall limit any disclosure of the tax structure of the transactions contemplated hereby, or the disclosure of any information (a) to the extent required by applicable law, statute, rule, regulation or judicial process or in connection with the exercise of any right or remedy under any Loan Document, or as may be required in connection with the examination, audit or similar investigation of Agent or any of its Affiliates, (b) to examiners, auditors, accountants or any regulatory authority, (c) to the officers, partners, managers, directors, employees, agents and advisors (including independent auditors, lawyers and counsel) of Agent and each Lender or any of their respective Affiliates, (d) in connection with any litigation or dispute which relates to this Agreement or any other Loan Document to which Agent or any Lender is a party or is otherwise subject, (e) to a subsidiary or Affiliate of Agent or any Lender, (f) to any assignee or participant (or prospective assignee or participant) which agrees to be bound by this Section 15.17 and (g) to any lender or other funding source of Agent or any Lender (each reference to Agent and Lender in the foregoing clauses shall be deemed to include (i) the actual and prospective assignees and participants referred to in clause (f) and the lenders and other funding sources referred to in clause (g), as applicable for purposes of this Section 15.17), and further ***provided***, that in no event shall Agent or any Lender be obligated or required to return any materials furnished by or on behalf of any Borrower or any other Loan Party or Obligor. The obligations of Agent and Lenders under this Section 15.17 shall supersede and replace the obligations of Agent and Lenders under any confidentiality letter or provision in respect of this financing or any other financing previously signed and delivered by Agent or any Lender to any Borrower or any of its Affiliates.

[Signature page follows]

IN WITNESS WHEREOF, each Borrower, each other Loan Party Obligor party hereto, Agent and each Lender have signed this Agreement as of the date first set forth above.

Agent:

ENCINA BUSINESS CREDIT, LLC

By: /s/ Jean Elie
Name: Jean Elie
Its: Authorized Signatory

Lenders:

ENCINA BUSINESS CREDIT SPV, LLC

By: /s/ Jean Elie
Name: Jean Elie
Its: Authorized Signatory

Borrower:

PRECISION INDUSTRIES, INC.

By: /s/ Jon Isaac
Name: Jon Isaac
Its: President

PRESIDENT MERGER SUB INC.

By: /s/ Jon Isaac
Name: Jon Isaac
Its: President

Loan Party Obligor:

PRECISION AFFILIATED HOLDINGS LLC

By: /s/ Jon Isaac
Name: Jon Isaac
Its: Manager

Annex I

Description of Certain Terms

1.Loan Limits for Revolving Loans	
(a)Maximum Revolving Facility Amount	$23,500,000
(b)Advance Rates	
(i)Accounts Advance Rate	Eighty-five percent (85%); ***provided***, that if Dilution exceeds five percent (5%), Agent may, at its option, (A) reduce such advance rate by the number of full or partial percentage points comprising such excess or (B) establish a Reserve on account of such excess (the "***Dilution Reserve***").
(ii)Inventory Advance Rate	
NOLV:	Eighty-five percent (85%)
(c)Inventory Sublimit	(i) $14,000,000 from the Closing Date through January 31, 2021, (ii) $13,500,000 from February 1, 2021 through June 30, 2021, (iii) $13,000,000 from July 1, 2021 through January 31, 2022, (iv) $12,500,000 from February 1, 2022 through June 30, 2022, and (v) $12,000,000 commencing on July 1, 2022 and at all times thereafter
2. Term Loan	
(a)Principal Amount	$1,720,000
(b)Repayment Schedule	Monthly principal payments in the amount of $28,666.67 commencing on the first Business Day of the first month following the Closing Date.
3.Interest Rates	
(a)Revolver Applicable Margin	From the Closing Date through January 31, 2021, Five and one half percent (5.50%) per annum in excess of the LIBOR Rate Thereafter: See Annex III.
(b)Term Loan	
(i)Term Loan Applicable Margin	Six and one half percent (6.50%) per annum in excess of the LIBOR Rate
4.Maximum Days Eligible Accounts	
(a)Maximum days after original ***invoice date*** for Eligible Accounts	Ninety (90) days

(b)Maximum days after original ***invoice due date*** for Eligible Accounts	Sixty (60) days
5.Agent's Bank	Wells Fargo Bank, National Association and its affiliates Account Name: Encina Business Credit SPV, LLC Account #4943951905 ABA Routing # 121000248 Reference: Precision Industries, Inc. (which bank may be changed from time to time by notice from Agent to Borrower Representative)
6.Scheduled Maturity Date	July 14, 2023

Annex II

Agent and Lenders shall be provided with each of the documents set forth below at the following times, in form satisfactory to Agent:

Weekly (no later than the 2nd Business Day of each week), or more frequently if Agent requests	(a)A summary and a detailed aging, by total, of Borrowers' Accounts, together with an Account roll-forward with supporting details supplied from sales journals, collection journals, credit registers and any other records, with respect to Borrowers' Accounts (delivered electronically in an acceptable format). (b)A summary aging, by vendor, of each Loan Party's accounts payable and a listing by vendor, of any held and/or outstanding checks (delivered electronically in an acceptable format). (c)Notice of all claims, offsets, or disputes asserted by Account Debtors with respect to Borrowers' Accounts. (d)A detailed calculation of the Accounts of Borrowers that are not eligible for the Borrowing Base (delivered electronically in an acceptable format). (e)A detailed Inventory perpetual report with respect to Borrowers' Inventory, including a listing by category and location of Inventory (delivered electronically in an acceptable format). (f)A detailed calculation of Inventory of Borrowers that is not eligible for the Borrowing Base (delivered electronically in an acceptable format). (g)A detailed calculation of the Borrowing Base (delivered electronically in an acceptable format) based upon the reports provided in (a) through (h) above, as of the end of such week and reflecting the outstanding principal balance of the Loans as of the last day of such week.

Monthly (no later than twenty-five (25) days after the end of each month)	(h)A summary and a detailed aging, by total, of Borrowers' Accounts, together with reconciliation to the weekly Borrowing Base submitted closest to such date and support documentation for any reconciling items noted (delivered electronically in an acceptable format). (i)A summary aging, by vendor, of each Loan Party's accounts payable and a listing by vendor, of any held and/or outstanding checks (delivered electronically in an acceptable format). (j)A monthly Account roll-forward with respect to Borrowers' Accounts, in a format acceptable to Agent in its discretion, tied to the beginning and ending Account balances of Borrowers' month-end accounts receivable aging (delivered electronically in an acceptable format). (k)A reconciliation of Accounts summary aging and trade accounts payable summary aging to each of (i) Borrowers' general ledger, and (ii) their monthly financial statements including any book reserves related to each category (delivered electronically in an acceptable format). (l)A reconciliation of the Inventory perpetual report with respect to Borrowers' Inventory to each of (i) Borrowers' general ledger, (ii) their monthly financial statements including any book reserves related thereto and (iii) the Borrowing Base submitted closest to such date, together with support documentation for any reconciling items noted (delivered electronically in an acceptable format). (m)A reconciliation of the loan statement provided to Borrowers by Agent for such month to each of (i) Borrowers' general ledger, (ii) their monthly financial statements and (iii) the Borrowing Base submitted closest to such date, together with support documentation for any reconciling items noted (delivered electronically in an acceptable format). (n)A detailed calculation of the Borrowing Base (delivered electronically in an acceptable format) based upon the reports provided in (h) through (m) above, for such month and reflecting the outstanding principal balance of the Loans as of the last day of such month.
Promptly upon the request of Agent	(o)Copies of invoices together with corresponding shipping and delivery documents, and credit memos together with corresponding supporting documentation, with respect to invoices and credit memos in excess of an amount determined in the sole discretion of Agent, from time to time.
Bi-Annually (in January and in July of each calendar year)	(q)A detailed list of each Loan Party's customers, with address and contact information. (r)A detailed list of each Loan Party's vendors, with address and contact information. (s) An updated Perfection Certificate, true and correct in all material respects as of the date of delivery, accompanied by a certificate executed by an officer of Borrower Representative and substantially in the form of Annex IV hereto (it being understood and agreed that no such update shall serve to cure any existing Event of Default, including any Event of Default resulting from any failure to provide any such disclosure to Agent on an earlier date or any breach of any earlier made representation and/or warranty).'
Promptly upon (but in no event later than two Business Days after) delivery or receipt, as applicable, thereof	(u)Copies of any and all written notices (including notices of default or acceleration), reports and other deliveries received by or on behalf of any Loan Party from or sent by or on behalf of any Loan Party to, any holder, agent or trustee with respect to any Indebtedness that is contractually subordinated to the Obligations (in such holder's, agent's or trustee's capacity as such).

Annex III

The following Pricing Grid shall determine the Applicable LIBOR Margin or Applicable Base Rate Margin (as applicable, the " ***Applicable Margin*** "):

Pricing Grid				
Level	Inventory to Accounts Receivable Availability Ratio	Average Excess Availability	Applicable LIBOR Margin/Base Rate Margin	
I	≥2.5x		5.50%/4.50%	
II	≥ 1.2x but < 2.5x	> 5% of Adjusted Borrowing Base	5.00%/4.00%	
III	<1.2x	> 10% of Adjusted Borrowing Base	4.50%/3.50%	

"***Inventory to Account Receivable Availability Ratio*** " referred to in the pricing grid above shall mean a fraction the numerator of which is the average aggregate amount of Eligible Inventory for the for the most-recently ended month and the denominator shall be the average aggregate amount of Eligible Accounts for the applicable month for the most-recently ended month, each as determined by reference to the weekly Borrowing Base Certificates submitted to (and validated by) Agent for such month.

"*Average Excess Availability* " referred to in the pricing grid above shall mean average Excess Availability for the most-recently ended month as determined by reference to the weekly Borrowing Base Certificates submitted to (and validated by) Agent for such month

Notwithstanding the foregoing, (a) if Borrower Representative fails to deliver the relevant financial to determine the Inventory to Account Receivable Availability Ratio or Average Excess Availability by the respective date required under the Loan Agreement with respect to any month, the Applicable Margin shall be the rates corresponding to the pricing set forth in " Level I" of the pricing grid above until such financial statements and compliance certificate are delivered, and (b) no reduction to the Applicable Margin shall become effective at any time when an Event of Default has occurred and is continuing.

If, as a result of any restatement of or other adjustment to the financial statements of the Loan Parties or for any other reason, Agent determines that (a) the applicable pricing grid tests as calculated by Borrower Representative as of any applicable date was inaccurate and (b) a proper calculation of the such applicable pricing grid tests would have resulted in different pricing for any period, then (i) if the proper calculation of such pricing grid tests would have resulted in higher pricing for such period, Borrower Representative shall automatically and retroactively be obligated to pay to Agent, promptly on demand by Agent, an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period; and (ii) if the proper calculation of the applicable pricing grid test would have resulted in lower pricing for such period, Agent shall have no obligation to repay any interest or fees to Borrower Representative; ***provided*** that if, as a result of any restatement or other event a proper calculation of the applicable pricing grid test would have resulted in higher pricing for one or more periods and lower pricing for one or more other periods (due to the shifting of income or expenses from one period to another period or any similar reason), then the amount payable by Borrower Representative pursuant to clause (i) above shall be based upon the excess, if any, of the amount of interest and fees that should have been paid for all applicable periods over the amount of interest and fees paid for all such periods.

Annex IV

Revolving Loan Commitments

Encina Business Credit SPV, LLC	$23,500,000
Total	*$23,500,000*

Term Loan Commitments

Encina Business Credit SPV, LLC	$1,720,000
Total	*$1,720,000*

SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT AND NOVATION

THIS SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT AND NOVATION AGREEMENT (this "***Amendment***") is made and entered into this 10th day of July, 2020, by and among (i) **LIVE VENTURES INCORPORATED**, a Nevada corporation ("***Borrower***"), (ii) **MARQUIS AFFILIATED HOLDINGS LLC,** a Delaware limited liability company ("***Holdings***"), **MARQUIS INDUSTRIES, INC.**, a Georgia corporation, and successor by merger with A-O Industries, LLC, a Georgia limited liability company, Astro Carpet Mills, LLC, a Georgia limited liability company, Constellation Industries, LLC, a Georgia limited liability company, S F Commercial Properties, LLC, a Georgia limited liability company, and Lonesome Oak Trading Co., Inc., a Georgia corporation ("***Marquis***", and collectively, the "***Marquis Parties***"), and (iii) **ISAAC CAPITAL FUND I, LLC**, a Georgia limited liability company ("***Lender***").

Recitals:

Lender and the Marquis Parties are parties to the certain Loan and Security Agreement dated as of July 6, 2015 and that certain Consent, Joinder and First Amendment to Loan and Security Agreement dated as of January 31, 2020 (as at any time amended, restated, supplemented or otherwise modified, the "***Loan Agreement***") pursuant to which Lender has made loans and other financial accommodations to the Marquis Parties.

The parties desire to further amend the Loan Agreement as hereinafter set forth.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby severally acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Definitions. Capitalized terms used in this Amendment, unless otherwise defined herein, shall have the meaning ascribed to such terms in the Loan Agreement.

2. Amendments to Loan Agreement. The Loan Agreement is hereby further amended as follows:

(a) B y replacing all references to "Borrowers" or "Borrower" with Live Ventures Incorporated, a Nevada corporation.

(b) By deleting the first two Recitals and all related references in the Loan Agreement.

(c) By deleting in their entirety the defined terms "EBITDA", and "Fixed Charge Coverage Ratio" and all related references in the Loan Agreement.

(d) By deleting in their entirety Section 7., Collateral, and Section 8., Collateral Administration, and all related references in the Loan Agreement.

(e) By deleting in its entirety Section 10.3, Financial Covenants, and all related references in the Loan Agreement.

3. **UCC Financing Statement.** From and after the date hereof, Borrower, on behalf of the Marquis Parties, agrees to execute and deliver to the Marquis Parties all instruments, documents, and agreements (including proper financing statements (Form UCC-3)) and to release all security interests, liens, ownership interests, and other rights of the Lender on behalf of the Marquis Parties as described in the Loan Agreement. As of the Effective Date, ICGF hereby authorizes Live Ventures or its designee to file such proper financing statements (Form UCC-3) as Live Ventures deems advisable to reflect termination of such security interests and liens.

4. **Release and Novation .** Despite anything to the contrary in the Loan Agreement, ICGF releases and forever discharges the Marquis Parties from all further obligations arising under the Loan Agreement, and from all manner of actions, causes of action, suits, debts, damages, expenses, claims and demands whatsoever that ICGF has or may have against the Marquis Parties, arising out of or in any way connected to performance under the Loan Agreement on and after the date hereof. For avoidance of doubt, nothing herein affects any rights, liabilities, or obligations of ICGF or the Marquis Parties due to be performed before the date hereof. Despite anything to the contrary in the Assigned Contracts, the Marquis Parties releases and forever discharges ICGF from all further obligations arising under the Loan Agreement from all manner of actions, causes of action, suits, debts, damages, expenses, claims and demands whatsoever that the Marquis Parties have or may have against ICGF arising out of or in any way connected to performance under the Loan Agreement on and after the date hereof. For avoidance of doubt, nothing herein affects any rights, liabilities, or obligations of ICGF or the Marquis Parties due to be performed before the date hereof. The parties intend that this Amendment is a novation and that the Borrower be substituted for the Marquis Parties. ICGF recognizes Borrower as the Marquis Parties' successor-in-interest in and to the Loan Agreement. The Borrower by this Agreement becomes entitled to all right, title and interest of the Marquis Parties in and to the Loan Agreement in as much as the Borrower is the substituted party to the Loan Agreement as of and after the date hereof. ICGF and the Borrower shall be bound by the terms of the Loan Agreement in every way as if the Borrower is named in the novated Loan Agreement in place of the Marquis Parties as a party thereto.

5. **Acknowledgments and Stipulations.** The Borrower acknowledges and stipulates that each of the Loan Documents executed by the Borrower creates legal, valid and binding obligations of the Borrower that are enforceable against the Borrower in accordance with the terms thereof; all of the Obligations are owing and payable without defense, offset or counterclaim (and to the extent there exists any such defense, offset or counterclaim on the date hereof, the same is hereby knowingly and voluntarily waived by such Borrower); and on and as of the date hereof, the unpaid principal amount of the Loan totaled $2,000,000.00.

4. **Representations and Warranties.** The Borrower represents and warrants to Lender, to induce Lender to enter into this Amendment, that no Default or Event of Default exists on the date hereof; the execution, delivery and performance of this Amendment has been duly authorized by all requisite corporate action on the part of the Borrower and this Amendment has been duly executed and delivered by the Borrower.

5. **Reference to Loan Agreement.** Upon the effectiveness of this Amendment, each reference in the Loan Agreement to "this Agreement," "hereunder," or words of like import shall mean and be a reference to the Loan Agreement, as amended by the First Amendment and this Amendment.

6. **Breach of Amendment.** This Amendment shall be part of the Loan Agreement and a breach of any representation, warranty or covenant herein shall constitute an Event of Default.

7. **Effectiveness; Governing Law.** This Amendment shall be effective upon acceptance by Lender in Atlanta, Georgia (notice of which acceptance is hereby waived), whereupon the same shall be governed by and construed in accordance with the internal laws of the State of Georgia.

8. **No Novation, etc.** Except as otherwise expressly provided in this Amendment, nothing herein shall be deemed to amend or modify any provision of the Loan Agreement or any of the other Loan Documents, each of which shall remain in full force and effect. This Amendment is not intended to be, nor shall it be construed to create, a novation or accord and satisfaction, and the Loan Agreement as herein modified shall continue in full force and effect.

9. **Successors and Assigns.** This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

10. **Further Assurances**. The Borrower agrees to take such further actions as Lender shall reasonably request from time to time in connection herewith to evidence or give effect to the amendments set forth herein or any of the transactions contemplated hereby.

11. **Miscellaneous**. This Amendment expresses the entire understanding of the parties with respect to the subject matter hereof and may not be amended except in a writing signed by the parties.

12. **Waiver of Jury Trial. To the fullest extent permitted by Applicable Law, each party hereby waives the right to trial by jury in any action, suit, counterclaim or proceeding arising out of or related to this Amendment**.

18. **Execution.** This Amendment may be in the form of an Electronic Record and may be executed using electronic signatures (including facsimile and .pdf) and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record. This Amendment may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Amendment. For the avoidance of doubt, the authorization under this paragraph may include use or acceptance by Lender of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed under seal and delivered by their respective duly authorized officers on the date first written above.

ATTEST:

BORROWER:

LIVE VENTURES INCORPORATED

By: /s/ Virland A. Johnson
Virland A. Johnson, Chief Financial Officer

ATTEST:

MARQUIS PARTIES:

MARQUIS AFFILIATED HOLDINGS LLC

/s/ Tony Isaac
Tony Isaac, Secretary

By: /s/ Jon Isaac
Jon Isaac, President and Chief Executive Officer

[COMPANY SEAL]

ATTEST:

MARQUIS INDUSTRIES, INC.

/s/ Tim Young
Tim Young, Secretary

By: /s/ Weston A. Godfrey, Jr.
Weston A. Godfrey, Jr., Chief Executive Officer

[CORPORATE SEAL]

[Signatures continued on following page.]

LENDER:

ISAAC CAPITAL FUND I, LLC

By: ___/s/ Jon Isaac_____
Name: Jon Isaac
Title: Chief Executive Officer

Exhibit 10.4

Assignment and Assumption Agreement

This Assignment and Assumption Agreement (this "***Agreement***") dated as of July 10, 2020 (the "***Effective Date***"), is entered into by and between Isaac Capital Fund I, a Georgia limited liability company ("***Assigning Party***"), Isaac Capital Group, LLC, a Delaware limited liability company ("***Assuming Party***").

WHEREAS, Assigning Party desires to assign to Assuming Party all of its rights and delegate to Assuming Party all of its obligations under certain contracts as described on Schedule 1 attached hereto (collectively "***Assigned Contracts***"); and

WHEREAS, Assuming Party desires to accept such assignment of rights and delegation of obligations under the Assigned Contracts.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set out herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment and Assumption.

1.1 Assignment. Assigning Party irrevocably sells, assigns, grants, conveys, and transfers to Assuming Party all of Assigning Pa title, and interest in and to the Assigned Contracts.

1.2 Assumption. Assuming Party unconditionally accepts such assignment and assumes all of Assigning Party's duties, liabilities obligations under the Assigned Contracts, and agrees to pay, perform, and discharge, as and when due, all of the obligations of Assigning Party under the Assigned Contracts accruing on and after the Effective Date.

2. Representations and Warranties.

2.1 Assigning Party's Representations and Warranties. Assigning Party represents and warrants as follows:

(a) It is duly organized, validly existing, and in good standing under the laws of the State of Georgia.

(b) It has the full right, limited liability company power and authority to enter into this Agreement and to perform its obligations hereunder.

(c) When executed and delivered by it, this Agreement will constitute the legal, valid, and binding obligation of Assigning Party, enforceable against it in accordance with its terms and not subject to defenses.

2.2 Assuming Party's Representations and Warranties. Assuming Party represents and warrants as follows:

(a) It is duly organized, validly existing, and in good standing under the laws of the State of Delaware.

(b) It has the full right, limited liability company power and authority to enter into this Agreement and to perform its obligations hereunder.

(c) When executed and delivered by it, this Agreement will constitute the legal, valid, and binding obligation enforceable against it in accordance with its terms.

3. Miscellaneous.

3.1 Further Assurances. On the other party's reasonable request, each party shall, at its sole cost and expense, execute and delive further instruments, documents, and agreeements, and take all such further acts, necessary to give full effect to this Agreement.

3.2 Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidit unenforceability does not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. On such determination that any term or other provision is invalid, illegal, or unenforceable, 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 hereby be consummated as originally contemplated to the greatest extent possible.

3.3 Entire Agreement. This Agreement, together with all related exhibits and schedules, is the sole and entire agreement of the pa Agreement regarding the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, regarding such subject matter.

3.4 Amendment and Modification. No amendment to or rescission, termination, or discharge of this Agreement is effective unles writing and signed by each party to this Agreement.

3.5 Waiver . No waiver under this Agreement is effective unless it is in writing and signed by the party waiving its right. Any waiver authorized on one occasion is effective only in that instance and only for the purpose stated and does not operate as a waiver on any future occasion. None of the following is a waiver or estoppel of any right, remedy, power, privilege, or condition arising from this Agreement: (i) any failure or delay in exercising any right, remedy, power, or privilege or in enforcing any condition under this Agreement; or (ii) any act, omission, or course of dealing between the parties.

3.6 Cumulative Remedies. All rights and remedies provided in this Agreement are cumulative and not exclusive, and the exercis party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any other agreement between the parties or otherwise. Despite the previous sentence, the parties intend that Indemnified Party's rights under Section 6 are its exclusive remedies for the events specified therein.

3.7 No Third-Party Beneficiaries. This Agreement benefits solely the parties to this Agreement and their respective successors a nothing in this Agreement, express or implied, confers on any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

3.8 Choice of Law. This Agreement and exhibits and schedules attached hereto, and all matters arising out of or relating to this A governed by, and construed in accordance with, the laws of the State of State of Nevada, without regard to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of Nevada.

3.9 Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original, but all of which togeth be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail, or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

ISAAC CAPITAL FUND I, LLC

By: /s/ Jon Isaac

Name: Jon Isaac

Title: President and Chief Executive Officer

ISAAC CAPITAL GROUP LLC

By: /s/ Jon Isaac

Name: Jon Isaac

Title: President and Chief Executive Officer

SCHEDULE 1

ASSIGNED CONTRACTS

1. Loan and Security Agreement dated as of July 6, 2015 (the "Loan and Security Agreement") among Marquis Affiliated Holdings LLC, Marquis Industries, Inc., Isaac Capital Fund I, LLC, and the other parties thereto

2. Consent, Joinder and First Amendment to Loan and Security Agreement dated January 31, 2020

3. Second Amendment to Loan and Security Agreement dated July 10, 2020

Exhibit 10.5

PROMISSORY NOTE

$2,000,000 USD	Las Vegas, Nevada July 10, 2020

FOR VALUE RECEIVED, LIVE VENTURES INCORPORATED, a Nevada corporation (the " ***Borrower***"), hereby unconditionally promises to pay to the order of SPRIGGS INVESTMENTS, LLC, a Missouri limited liability company (the "***Noteholder***") the principal amount of $2,000,000 USD (the "***Loan***"), together with all accrued interest thereon, as provided in this Promissory Note (this "***Note***").

1. Payment Dates.

(a) Payment Date. Interest on the outstanding Loan shall be payable at the Interest Rate (as defined below) and shall be payable in arrears on the last day of each month commencing July 31, 2020 and on the Maturity Date (as defined below). The aggregate unpaid principal amount of the Loan, all accrued and unpaid interest, and all other amounts payable under this Note shall be due and payable on July 10, 2022 (the "***Maturity Date***").

(b) Prepayment. The Borrower may prepay the Loan in whole or in part at any time or from time to time without penalty or premium by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment. Notwithstanding the foregoing, if the Borrower prepays the Loan in whole or in part on or prior to December 10, 2020 (the "***Six Month Date***"), then Borrower shall pay the Noteholder, in addition to all other amounts owing hereunder, a prepayment penalty in an amount equal to $100,000 USD *less* the amount of any interest paid or to be paid by the Borrower (other than interest paid at the Default Rate due to a default of Borrower's obligations hereunder) up to the date of prepayment.

2. Interest.

(a) Interest Rate. Except as provided in Section 2(b), principal amounts outstanding under this Note shall bear interest at a rate per annum (the "***Interest Rate***") equal to 10.0%.

(b) Default Interest. If any amount payable hereunder is not paid when due (without regard to any applicable grace period), whether at stated maturity, by acceleration, or otherwise, such overdue amount shall bear interest at the Interest Rate plus 4.0%) (the "***Default Rate***").

(c) Computation of Interest. All computations of interest hereunder shall be made on the basis of a year of 365/366 days, as the case may be, and the actual number of days elapsed. Interest shall begin to accrue on the Loan on the date of this Note. On any portion of the Loan that is repaid, interest shall not accrue on the date on which such payment is made.

(a) Interest Rate Limitation. If at any time the interest rate payable on the Loan shall exceed the maximum rate of interest permitted to be charged by the Noteholder to the Borrower under applicable law, such interest rate shall be reduced automatically to the maximum rate permitted.

3. Use of Proceeds.

(a) Permitted Use. The Borrower shall use the Loan proceeds for the sole purpose of consummating the acquisition (the "***Acq***
Precision Industries, Inc., a Pennsylvania

corporation (the "***Company***"), as contemplated by a merger agreement to be entered into by and among President Merger Sub Inc., a Pennsylvania corporation, Live Ventures Incorporated, Precision Industries, Inc., a Pennsylvania corporation, and D. Jackson Milhollan, in his capacity as the shareholders' representative (the "***Acquisition Agreement***"). The Loan proceeds shall not be used for any other purpose unless Noteholder has first consented in writing to such additional uses and then only to the extent of such permitted use that is expressly provided for within such written consent.

(b) Early Repayment. In the event that the Closing of the Acquisition does not occur on or by 11:59 p.m., Las Vegas time, Ju "***Target Closing Date***") or such date on or after July 17, 2020 as the Borrower and the Noteholder may mutually agree in writing, then Borrower shall repay, in full without demand, the Loan, together with all accrued interest thereon through the date of repayment, to Noteholder in immediately available funds. For the purposes of this Section 3(b), the "***Closing of the Acquisition***" means (i) the Acquisition Agreement has been signed by President Merger Sub Inc., a Pennsylvania corporation, Live Ventures Incorporated, Precision Industries, Inc., a Pennsylvania corporation, and D. Jackson Milhollan, in his capacity as the shareholders' representative; and (ii) all closing conditions and closing deliveries under the Acquisition Agreement to occur or be performed by or at the closing of the Acquisition shall have occurred or been performed in accordance with the terms of the Acquisition Agreement, except solely with respect to those conditions and deliveries that are waived in writing by the party entitled to waive the same under the Acquisition Agreement .

4. Payment Mechanics.

(a) Manner of Payment. All payments of principal and interest shall be made in US dollars no later than 12:00 p.m., Las Vegas time, on the date on which such payment is due. Such payments shall be made by cashier's check, certified check, or wire transfer (as designated by Noteholder) of immediately available funds to the Noteholder's account at a bank specified by the Noteholder in writing to the Borrower from time to time.

(b) Application of Payments. All payments shall be applied, *first*, to fees or charges outstanding under this Note, *second*, to accrued interest, and, *third*, to principal outstanding under this Note.

(c) Business Day. Whenever any payment hereunder is due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day, and interest shall be calculated to include such extension. "***Business Day***" means a day other than Saturday, Sunday, or other day on which commercial banks in Las Vegas, Nevada, USA are authorized or required by law to close.

5. Representations and Warranties. The Borrower represents and warrants to the Noteholder as follows:

(a) Existence. The Borrower is a corporation duly incorporated, validly existing, and in good standing under the laws of the State of Nevada. The Borrower has the requisite corporate power and authority to own, lease, and operate its property, and to carry on its business.

(b) Power and Authority. The Borrower has the requisite power and authority to execute, deliver, and perform its obligations under this Note.

(c) Authorization; Execution and Delivery. The execution and delivery of this Note by the Borrower and the performance of its obligations hereunder have been duly authorized by all necessary corporate action in accordance with applicable law. The Borrower has duly executed and delivered this Note.

(d) No Approvals. No consent or authorization of, filing with, notice to, or other act by, or in respect of, any government of any nation or any political subdivision thereof, whether at the national, state, territorial, provincial, municipal or any other level, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of, or pertaining to, government (each, a "***Governmental Authority***") or any other person, is required in order for the Borrower to execute, deliver, or perform any of its obligations under this Note.

(e) No Violations. The execution and delivery of this Note and the consummation by the Borrower of the transactions contemplated hereby do not and will not (a) violate any provision of the Borrower's organizational documents; (b) violate any law applicable to the Borrower by which any of its properties or assets may be bound; or (c) constitute a default under any material agreement or contract by which the Borrower may be bound.

(f) Enforceability. This Note is a valid, legal, and binding obligation of the Borrower, enforceable against the Bower in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject as to enforceability, to general principles of equity, regardless of whether enforcement is sought in a proceeding at law or in equity.

6. Events of Default. The occurrence and continuance of any of the following shall constitute an "***Event of Default***" hereunder:

(a) Failure to Pay. The Borrower fails to pay (i) any principal amount of the Loan when due; (ii) any interest on the Loan within 5 Business Days after the date such amount is due; or (iii) any other amount due hereunder within 10 Business Days after such amount is due.

(b) Breach of Representations and Warranties. Any representation or warranty made by the Borrower to the Noteholder herein contains an untrue or misleading statement of a material fact as of the date made or deemed made; *provided*, *however*, no Event of Default shall be deemed to have occurred pursuant to this Section 6(b) if, within 30 days of the date on which the Borrower receives notice (from any source) of such untrue or misleading statement, Borrower shall have addressed the adverse effects of such untrue or misleading statement to the reasonable satisfaction of the Noteholder.

(c) Bankruptcy; Insolvency.

(i) The Borrower institutes a voluntary case seeking relief under any law relating to bankruptcy, insolvency, reorganization, or other relief for debtors.

(ii) An involuntary case is commenced seeking the liquidation or reorganization of the Borrower under any law relating to bankruptcy or insolvency, and such case is not dismissed or vacated within 90 days of its filing.

(iii) The Borrower makes a general assignment for the benefit of its creditors.

(iv) The Borrower is unable, or admits in writing its inability, to pay its debts as they become due.

(v) A case is commenced against the Borrower or its assets seeking attachment, execution, or similar process against all or a substantial part of its assets, and such case is not dismissed or vacated within 90 days of its filing.

(d) Breach of Covenants. The Borrower fails to observe or perform any covenant, condition, or agreement in this Note, other than an obligation to make payments when due or provide notice to Notholder of a default under this Note, and such failure continues for 20 business days after written notice to the Borrower.

7. Notice of Event of Default. As soon as possible after it becomes aware that an Event of Default has occurred, and in any event within five Business Days, the Borrower shall notify the Noteholder in writing of the nature and extent of such Event of Default and the action, if any, it has taken or proposes to take with respect to such Event of Default. The Borrower, for itself and for any guarantors, endorsers, and/or any other person or persons now or hereafter liable hereon, hereby waives presentment, demand of payment, protest, notice of nonpayment, and any and all other notices and demands whatsoever in connection with the enforcement of this Note or the taking of any action to collect sums owing hereunder.

8. Remedies. Upon the occurrence and during the continuance of an Event of Default, the Noteholder may, at its option and in addition to any other remedy available to it by law or contract, by written notice to the Borrower declare the outstanding principal amount of the Loan, accrued and unpaid interest thereon, and all other amounts payable hereunder immediately due and payable; *provided*, *however*, if an Event of Default described in Sections 6(c)(i), (iii), or (iv) shall occur, the outstanding principal amount, accrued and unpaid interest, and all other amounts payable hereunder shall become immediately due and payable without notice, declaration, or other act on the part of the Noteholder.

9. Expenses. The Borrower shall reimburse the Noteholder on demand for all documented out-of-pocket costs, expenses, and fees, including the fees and expenses of counsel, incurred by the Noteholder in connection with the negotiation, documentation, and execution of this Note and the enforcement of the Noteholder's rights hereunder.

10. Notices. All notices and other communications relating to this Note shall be in writing and shall be deemed given upon the first to occur of (x) deposit with an overnight courier service, properly addressed, and postage prepaid; (y) transmittal by facsimile or e-mail properly addressed (with written acknowledgment from the intended recipient such as "return receipt requested" function, return e-mail, or other written acknowledgment); or (z) actual receipt by an employee or agent of the other party. Notices hereunder shall be sent to the following addresses, or to such other address as such party shall specify in writing:

(a) If to the Borrower:

Live Ventures Incorporated
325 E. Warm Springs Road, Suite 102
Las Vegas, Nevada 89119
Attention: Michael J. Stein, Senior Vice President and General Counsel
Facsimile: (702) 997-5968
E-mail: mstein@liveventures.com

(b) If to the Noteholder:

Spriggs Investments, LLC
[***]
[***]
Attention: Rodney Spriggs, Manager
E-mail: [***]

With a copy (which shall not serve as notice) to:
Conroy Baran
1316 Saint Louis Avenue, 2nd Floor
Kansas City, Missouri 64101
Attention: Kyle Conroy, Member
E-Mail: kconroy@conroybaran.com

11. Governing Law. This Note and any claim, controversy, dispute, or cause of action (whether in contract, tort, or otherwise) based on, arising out of, or relating to this Note and the transactions contemplated hereby shall be governed by and construed in accordance with the laws of the State of Missouri.

12. Disputes.

(a) Submission to Jurisdiction.

(i) The Borrower irrevocably and unconditionally (A) agrees that any action, suit, or proceeding arising from or relating to this Note may be brought in the United States District Court for the Western District of Missouri, and (B) submits to the exclusive jurisdiction of such courts in any such action, suit, or proceeding. Final judgment against the Borrower in any such action, suit, or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(ii) Nothing in this Section 12(a) shall affect the right of the Noteholder to bring any action, suit, or proceeding relating to this Note against the Borrower or its properties in the courts of any other jurisdiction.

(iii) Nothing in this Section 12(a) shall affect the right of the Noteholder to serve process upon the Borrower in any manner authorized by the laws of any such jurisdiction.

(b) Venue. The Borrower irrevocably and unconditionally waives, to the fullest extent permitted by law, (i) any objection that it may now or hereafter have to the laying of venue in any action, suit, or proceeding relating to this Note in any court referred to in Section 12(a), and (ii) the defense of inconvenient forum to the maintenance of such action, suit, or proceeding in any such court.

(c) Waiver of Jury Trial. THE BORROWER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY RELATING TO THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY, WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER THEORY.

13. Successors and Assigns. This Note may be assigned or transferred by the Noteholder to any individual, corporation, company, limited liability company, trust, joint venture, association, partnership, unincorporated organization, governmental authority, or other entity.

14. Integration. This Note constitutes the entire contract between the Borrower and the Noteholder with respect to the subject matter hereof and supersedes all previous agreements and understandings, oral or written, with respect thereto.

15. Amendments and Waivers. No term of this Note may be waived, modified, or amended, except by an instrument in writing signed by the Borrower and the Noteholder. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

16. No Waiver; Cumulative Remedies. No failure by the Noteholder to exercise and no delay in exercising any right, remedy, or power hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, or power hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, or power. The rights, remedies, and powers herein provided are cumulative and not exclusive of any other rights, remedies, or powers provided by law.

17. Severability. If any term or provision of this Note is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Note or render such term or provision invalid or unenforceable in any other jurisdiction.

18. Counterparts. This Note and any amendments, waivers, consents, or supplements hereto may be executed in counterparts, each of which shall constitute an original, but all of which taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Note by facsimile or in electronic ("pdf") format shall be as effective as delivery of a manually executed counterpart of this Note.

19.

ORAL OR UNEXECUTED AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE, REGARDLESS OF THE LEGAL THEORY UPON WHICH IT IS BASED THAT IS IN ANY WAY RELATED TO THE NOTE. TO PROTECT YOU (BORROWER) AND US (LENDER) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS W E REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

Electronic Execution. The words "execution," "signed," "signature," and words of similar import in this Note shall be deemed to include electronic and digital signatures and the keeping of records in electronic form, each of which shall be of the same effect, validity, and enforceability as manually executed signatures and paper-based recordkeeping systems, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 U.S.C. § 7001 *et seq*.) and any other similar state laws based on the Uniform Electronic Transactions Act.

IN WITNESS WHEREOF, the Borrower has executed this Note as of July 10, 2020.

LIVE VENTURES INCORPORATED

By: /s/ Virland A. Johnson
Name: Virland A. Johnson
Title: Chief Financial Officer

ACKNOWLEDGED AND ACCEPTED BY
NOTEHOLDER:

SPRIGGS INVESTMENTS, LLC

By: /s/ Rodney Spriggs
Rodney Spriggs, Manager

GUARANTY

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Jon Isaac, a resident of the State of Nevada (" ***Guarantor***"), and the President and Chief Executive Officer of Live Ventures Incorporated, a Nevada corporation ("***Live Ventures***"), does hereby unconditionally execute this guarantee ("***Guaranty***") for the benefit of Spriggs Investments, LLC, a Missouri limited liability company (" ***Spriggs***"), on this 10th day of July, 2020.

1. Guaranty. In order to induce Spriggs to enter into that certain Promissory Note dated July 10, 2020 in the original aggregate principal amount of $2,000,000 USD (the "***Note***") by and among Live Ventures and Spriggs, Guarantor hereby irrevocably, unconditionally, and absolutely, guarantees to Spriggs the full and prompt payment, observance, performance, and discharge, when due, of (a) all obligations of Live Ventures owing to Spriggs under the Note, including without limitation the payment of all amounts presently due or arising under the Note; and (b) in addition thereto all costs, expenses, and fees, including but not limited to, court costs and attorney's fees at any time paid or incurred by Spriggs in endeavoring to enforce this Guaranty or in connection with the preparation, negotiation, collection, or enforcement of or on the Note (the obligations described within subsections (a) and (b) of this Section 1 being, the "***Obligations***"). Capitalized terms used but not otherwise defined here, shall have the meanings given to them in the Note. Guarantor acknowledges that it shall receive substantial benefit from the consummation of the transactions contemplated by the Note, and that Spriggs would not consummate the same without the Guarantor's delivery of this Guaranty. The waivers and obligations made by Guarantor within this Guaranty are knowingly made in contemplation of such benefits. Guarantor assumes all responsibility for being and keeping itself informed of Live Ventures' present and future financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope, and extent of the risks which the Guarantor assumes and incurs hereunder, and the Guarantor agrees that Spriggs shall have not duty to advise Guarantor of information now or hereafter known to it regarding such circumstances or risks. Guarantor's obligations hereunder shall not be relieved in the event that Spriggs releases any one or more persons liable for the Obligations, including any other guarantor.

2. Resort to Guaranty. This is a guaranty of both payment and performance and will be a continuing guaranty that runs for the benefit of Spriggs and its successors and assigns and may be fully enforced against Guarantor directly. Upon any default by Live Ventures with respect to any of the Obligations, the liability of the Guarantor hereunder shall be deemed to have become immediately due and payable, without demand, presentment, protest or notice of any kind, all of which are hereby waived, and without any suit or action against Live Ventures or the Guarantor and without further steps to be taken or further conditions to be performed by Spriggs including without limitation, (a) any requirement to institute suit against or exhaust Spriggs' remedies with respect to Live Ventures or Guarantor; or (b) any requirement to first require performance by Live Ventures. Failure of Spriggs to make any demand or otherwise to proceed against the Guarantor in respect to any default by Live Ventures or the Guarantor, or any delay by Spriggs in doing so, shall not constitute a waiver of Spriggs' right to proceed in respect to any or all other defaults by Live Ventures or the Guarantor.

3. Consents. Guarantor hereby consents and agrees that Spriggs may at any time, and from time to time, without notice to or further consent from Guarantor, either with or without consideration, take any action of any type whatsoever permitted under, but subject to the terms of, this Guaranty and may also make any agreement with Live Ventures for the extension, renewal, payment, compromise, discharge, or release of the Obligations, in whole or part, and may make any modification of the terms of the Note or any agreement between Spriggs and Live Ventures, and no such action that Spriggs takes in connection with this Guaranty, the Note, or any such other agreement, will limit, modify, impair or release Guarantor's obligations hereunder, affect this Guaranty in any way or afford Guarantor any

recourse against Spriggs. Spriggs shall not be obligated to file any claim relating to the Obligations in the event that Live Ventures becomes subject to a bankruptcy, reorganization, or similar proceeding.

4. Payments. All payments made by Guarantor hereunder shall be made in U.S. dollars in immediately available funds, mailed or delivered to Spriggs at the address designed in writing by Spriggs in writing or, at Sprigg's election, by wire transfer to a bank account designated in writing by Spriggs.

5. Waivers of Certain Defenses. Guarantor irrevocably waives all rights, claims, counterclaims and other defenses that Live Ventures is or may be entitled to under or arising from or out of applicable law and agrees not to exercise any such rights that it may now have or hereafter acquire against Live Ventures that arise from the existence, payment, performance, or enforcement of the Obligations or in respect of this Guaranty including, without limitation, any right of subrogation, reimbursement, exoneration, or indemnification and any right to participate in any claim or remedy of Spriggs against Live Ventures, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from Live Ventures, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right, unless and until the Obligations shall have been satisfied in full. Nothing contained herein will be construed to require Spriggs to take any action referred to herein or to make an election of remedies. Guarantor hereby waives and agrees not to assert or take advantage of any defense based upon, and agrees that the Obligations hereunder shall not be released or discharged, in whole or part by: (a) any lack of authority, dissolution, death, or disability of Live Ventures, Guarantor or any other person or entity; (b) any failure of Live Ventures to give notice of the existence, creation or incurring of any new or additional obligation; (c) any failure on the part of Live Ventures to disclose to Guarantor any facts it may now or hereafter know regarding Spriggs or the Note; (d) any lack of acceptance or notice of acceptance of this Guaranty; (e) any lack of presentment, demand, protest, or notice of demand, dishonor or nonpayment with respect to any Obligations; (f) an assertion or claim that the automatic stay or injunctive relief provided by 11 U.S.C. §§362 or 105 (arising upon the voluntary or involuntary bankruptcy proceeding of Live Ventures), or any other stay or injunctive relief provided under any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, that may be or become applicable, may operate or be interpreted to stay, interdict, condition, reduce or inhibit the ability of Spriggs to enforce any of its rights, whether now or hereafter acquired, that Spriggs may have against Guarantor; (g) any modifications of the Note by operation of law or by action of any court, whether pursuant to the Bankruptcy Reform Act of 1978, as amended, or any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, or otherwise; (h) any action, occurrence, event or matter consented to by Guarantor hereunder in writing; (i) the failure or delay of Spriggs, subject to the termination or expiration of Live Ventures' Obligations under the Note, to assert any claim or demand or to enforce any right or remedy against Live Ventures, including a failure to assert any such claim or demand within the applicable statute of limitations; (j) any change in the corporate existence, structure or ownership of Live Ventures, Guarantor, or any other person now or hereafter liable with respect to the Obligations; (k) the addition, substitution, or release of any person now or hereafter liable with respect to the Obligations, to or from this Guaranty, the Note, or any related agreement or document; or (l) any insolvency, bankruptcy, reorganization, or other similar proceeding affecting Live Ventures or any other person now or hereafter liable with respect to the Obligations. Guarantor waives any right to require that an action be brought against Live Ventures or any other person. Guarantor hereby expressly waives and releases notice of acceptance of this Guaranty and notice of any change in Live Ventures's financial condition, and/or any right or claim of right to cause a marshaling of Live Ventures's assets or to cause Spriggs to proceed against Live Ventures at any time or in any particular order.

6. Subordination. Guarantor agrees that any claims that Guarantor may have against Live Ventures shall at all times be fully subordinate as to lien, time, and right of payment and in all other respects to the Obligations to be paid to Spriggs hereunder. Guarantor will not assert or exercise any right

of Guarantor against Live Ventures to recover any amount in default by Live Ventures to Guarantor, including making any claim against Live Ventures by way of subrogation, reimbursement, contribution, exoneration, indemnity, or otherwise, whether arising by contract, operation of law, or under common law, and Guarantor shall not have and hereby expressly waives any right of recourse to any claim against Live Ventures or any assets or property of Live Ventures until the Obligations have been satisfied in full. It is the intention of the parties hereto that Guarantor shall not be deemed to be a "creditor" (as defined in Section 101 of Title 11 of the United States Code, as amended, or any similar federal or state law for the relief of debtors (the "***Bankruptcy Code***") of Live Ventures by reason of the existence of this Guaranty. I f Live Ventures becomes a debtor in any proceeding under the Bankruptcy Code or any other debtor relief law, then in connection therewith Guarantor hereby waives any such right as a "creditor" under the Bankruptcy Code. Guarantor agrees that any liens, security interests, judgment liens, charges, or other encumbrances upon Live Ventures' assets securing payment of any obligation to Guarantor shall be and remain inferior and subordinate to any liens, security interests, charges, or other encumbrances, now existing or hereafter arising, upon Live Ventures' assets in favor of Spriggs.

7. Preference. Guarnator agrees that, to the extent that Live Ventures makes a payment or payments to Spriggs or Spriggs receives any proceeds of collateral, which payment or payments or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to Live Ventures, its estate, trustee, receiver, or any other party, including, without limitation, any guarantor, under any Bankruptcy Law, state or federal law, common law, judgment, decree, or order of any court or administrative body having jurisdiction over Spriggs or any of its property, or equitable cause, or any settlement or compromise of any such repayment claim effected by Spriggs with the claimant (including Live Ventures), then to the extent of such payment or repayment, the Obligations or part thereof which has been paid, reduced or satisfied by such amount shall be reinstated and continued in full force and effect as of the time immediately preceding such initial payment, reduction or satisfaction, and the Guarantor shall remain liable to Spriggs for the amount so repaid to the same extent as if such amount had never originally been received by Spriggs, notwithstanding any termination hereof or the cancellation of any note or other instrument evidencing any of the Obligations.

8. Representations. Guarantor represents and warrants that (a) it has all necessary power and authority to enter into this Guaranty and to perform its obligations hereunder; (b) the person executing this Guaranty has the power and authority to execute this Guaranty and bind Guarantor hereto; (c) the execution and delivery of this Guaranty constitutes a legal, valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms, except and to the extent as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity), and will not result in any violation of, or be in conflict with, any provision of law, or any order, judgment, agreement or restriction to which it is a party or may be bound; and (d) Guarantor is not insolvent and has the financial capacity to pay and perform its obligations under this Guaranty.

9. Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, or (b) on the first business day following the date of dispatch if delivered utilizing a next-day service by a nationally recognized next-day courier, charges prepaid. All notices hereunder shall be delivered to the addresses set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice:

(a) If to Guarantor, to:

Jon Isaac

c/o Live Ventures Incorporated

325 E. Warm Springs Road, Suite 102

Las Vegas, NV 89119

(b) If to Spriggs, to:

Spriggs Investments, LLC
[***]
[***]
Attention: Rodney Spriggs, Manager
E-mail: [***]

With a copy (which shall not serve as notice) to:
Conroy Baran
1316 Saint Louis Avenue, 2nd Floor
Kansas City, Missouri 64101
Attention: Kyle Conroy, Member
E-Mail: kconroy@conroybaran.com

10. Governing Law; Venue . This Guaranty shall be governed by and construed in accordance with the laws of the State of Missouri (without reference to the conflicts of law provisions thereof). The invalidity or unenforceability of any provision hereof shall not limit the validity or enforceability of any other provision hereof. Any legal action or proceeding arising out of or relating to this Guaranty or for recognition and enforcement of any judgment in respect hereof shall be brought and determined in the United States District Court for the Western District of Missouri, and each of Guarantor and Spriggs irrevocably submits to the exclusive jurisdiction of such courts with regard to any such action or proceeding and agrees not to commence any such action, suit or proceeding except in such courts.

11. Amendments. This Guaranty may not be amended except by an instrument in writing signed by the parties hereto.

12. Entirety. THIS GUARANTY EMBODIES THE FINAL AND ENTIRE AGREEMENT OF GUARANTOR AND SPRIGGS WITH RESPECT TO GUARANTOR'S GUARANTY OF THE OBLIGATIONS AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF.

13. Survival. This Guaranty may not be revoked or terminated and shall remain in full force and effect and binding on the Guarantor and its permitted assigns, until the complete, irrevocable, and indefeasible payment and satisfaction in full of the Obligations.

14. Successors and Assigns. Guarantor may not assign its rights, interests, or obligations hereunder to any person without the prior written consent of Spriggs. Any attempted assignment in violation of this section shall be null and void. This Guaranty shall inure to the benefit of Spriggs and its successors and assigns.

15. Waiver. No failure on the part of Spriggs to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise

by Spriggs of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power. Each and every right, remedy and power hereby granted to Spriggs or allowed it by applicable law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by Spriggs at any time or from time to time.

16. Counterparts. This Guaranty may be executed in counterparts, each of which shall be deemed an original, but all of which when taken together shall be deemed to be one and the same agreement. A signed copy of this Guaranty delivered by facsimile, e-mail, or other means of electronic transmission, shall be deemed to have the same legal effect as delivery of an original signed copy of this Guaranty.

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[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Guaranty effective as of the date first set forth above.

GUARANTOR:

__/s/ Jon Isaac_____
Jon Isaac

SPRIGGS:

SPRIGGS INVESTMENTS, LLC

By: ___/s/ Rodney Spriggs_____
Rodney Spriggs, Manager

GUARANTY

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Isaac Capital Group, LLC, a Delaware limited liability company ("***Guarantor***") and shareholder of Live Ventures Incorporated, a Nevada corporation ("***Live Ventures***"), does hereby unconditionally execute this guarantee ("***Guaranty***") for the benefit of Spriggs Investments, LLC, a Missouri limited liability company ("***Spriggs***") on this July 10, 2020.

1. Guaranty. In order to induce Spriggs to enter into that certain Promissory Note dated July 10, 2020 in the original aggregate principal amount of $2,000,000 USD (the "***Note***") by and among Live Ventures and Spriggs, Guarantor hereby irrevocably, unconditionally, and absolutely, guarantees to Spriggs the full and prompt payment, observance, performance, and discharge, when due, of (a) all obligations of Live Ventures owing to Spriggs under the Note, including without limitation the payment of all amounts presently due or arising under the Note; and (b) in addition thereto all costs, expenses, and fees, including but not limited to, court costs and attorney's fees at any time paid or incurred by Spriggs in endeavoring to enforce this Guaranty or in connection with the preparation, negotiation, collection, or enforcement of or on the Note (the obligations described within subsections (a) and (b) of this Section 1 being, the "***Obligations***"). Capitalized terms used but not otherwise defined here, shall have the meanings given to them in the Note. Guarantor acknowledges that it shall receive substantial benefit from the consummation of the transactions contemplated by the Note, and that Spriggs would not consummate the same without the Guarantor's delivery of this Guaranty. The waivers and obligations made by Guarantor within this Guaranty are knowingly made in contemplation of such benefits. Guarantor assumes all responsibility for being and keeping itself informed of Live Ventures' present and future financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope, and extent of the risks which the Guarantor assumes and incurs hereunder, and the Guarantor agrees that Spriggs shall have not duty to advise Guarantor of information now or hereafter known to it regarding such circumstances or risks. Guarantor's obligations hereunder shall not be relieved in the event that Spriggs releases any one or more persons liable for the Obligations, including any other guarantor.

2. Resort to Guaranty. This is a guaranty of both payment and performance and will be a continuing guaranty that runs for the benefit of Spriggs and its successors and assigns and may be fully enforced against Guarantor directly. Upon any default by Live Ventures with respect to any of the Obligations, the liability of the Guarantor hereunder shall be deemed to have become immediately due and payable, without demand, presentment, protest or notice of any kind, all of which are hereby waived, and without any suit or action against Live Ventures or the Guarantor and without further steps to be taken or further conditions to be performed by Spriggs including without limitation, (a) any requirement to institute suit against or exhaust Spriggs' remedies with respect to Live Ventures or Guarantor; or (b) any requirement to first require performance by Live Ventures. Failure of Spriggs to make any demand or otherwise to proceed against the Guarantor in respect to any default by Live Ventures or the Guarantor, or any delay by Spriggs in doing so, shall not constitute a waiver of Spriggs' right to proceed in respect to any or all other defaults by Live Ventures or the Guarantor.

3. Consents. Guarantor hereby consents and agrees that Spriggs may at any time, and from time to time, without notice to or further consent from Guarantor, either with or without consideration, take any action of any type whatsoever permitted under, but subject to the terms of, this Guaranty and may also make any agreement with Live Ventures for the extension, renewal, payment, compromise, discharge, or release of the Obligations, in whole or part, and may make any modification of the terms of the Note or any agreement between Spriggs and Live Ventures, and no such action that Spriggs takes in connection with this Guaranty, the Note, or any such other agreement, will limit, modify, impair or release Guarantor's obligations hereunder, affect this Guaranty in any way or afford Guarantor any

recourse against Spriggs. Spriggs shall not be obligated to file any claim relating to the Obligations in the event that Live Ventures becomes subject to a bankruptcy, reorganization, or similar proceeding.

4. Payments. All payments made by Guarantor hereunder shall be made in U.S. dollars in immediately available funds, mailed or delivered to Spriggs at the address designed in writing by Spriggs in writing or, at Sprigg's election, by wire transfer to a bank account designated in writing by Spriggs.

5. Waivers of Certain Defenses. Guarantor irrevocably waives all rights, claims, counterclaims and other defenses that Live Ventures is or may be entitled to under or arising from or out of applicable law and agrees not to exercise any such rights that it may now have or hereafter acquire against Live Ventures that arise from the existence, payment, performance, or enforcement of the Obligations or in respect of this Guaranty including, without limitation, any right of subrogation, reimbursement, exoneration, or indemnification and any right to participate in any claim or remedy of Spriggs against Live Ventures, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from Live Ventures, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right, unless and until the Obligations shall have been satisfied in full. Nothing contained herein will be construed to require Spriggs to take any action referred to herein or to make an election of remedies. Guarantor hereby waives and agrees not to assert or take advantage of any defense based upon, and agrees that the Obligations hereunder shall not be released or discharged, in whole or part by: (a) any lack of authority, dissolution, death, or disability of Live Ventures, Guarantor or any other person or entity; (b) any failure of Live Ventures to give notice of the existence, creation or incurring of any new or additional obligation; (c) any failure on the part of Live Ventures to disclose to Guarantor any facts it may now or hereafter know regarding Spriggs or the Note; (d) any lack of acceptance or notice of acceptance of this Guaranty; (e) any lack of presentment, demand, protest, or notice of demand, dishonor or nonpayment with respect to any Obligations; (f) an assertion or claim that the automatic stay or injunctive relief provided by 11 U.S.C. §§362 or 105 (arising upon the voluntary or involuntary bankruptcy proceeding of Live Ventures), or any other stay or injunctive relief provided under any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, that may be or become applicable, may operate or be interpreted to stay, interdict, condition, reduce or inhibit the ability of Spriggs to enforce any of its rights, whether now or hereafter acquired, that Spriggs may have against Guarantor; (g) any modifications of the Note by operation of law or by action of any court, whether pursuant to the Bankruptcy Reform Act of 1978, as amended, or any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, or otherwise; (h) any action, occurrence, event or matter consented to by Guarantor hereunder in writing; (i) the failure or delay of Spriggs, subject to the termination or expiration of Live Ventures' Obligations under the Note, to assert any claim or demand or to enforce any right or remedy against Live Ventures, including a failure to assert any such claim or demand within the applicable statute of limitations; (j) any change in the corporate existence, structure or ownership of Live Ventures, Guarantor, or any other person now or hereafter liable with respect to the Obligations; (k) the addition, substitution, or release of any person now or hereafter liable with respect to the Obligations, to or from this Guaranty, the Note, or any related agreement or document; or (l) any insolvency, bankruptcy, reorganization, or other similar proceeding affecting Live Ventures or any other person now or hereafter liable with respect to the Obligations. Guarantor waives any right to require that an action be brought against Live Ventures or any other person. Guarantor hereby expressly waives and releases notice of acceptance of this Guaranty and notice of any change in Live Ventures's financial condition, and/or any right or claim of right to cause a marshaling of Live Ventures's assets or to cause Spriggs to proceed against Live Ventures at any time or in any particular order.

6. Subordination. Guarantor agrees that any claims that Guarantor may have against Live Ventures shall at all times be fully subordinate as to lien, time, and right of payment and in all other respects to the Obligations to be paid to Spriggs hereunder. Guarantor will not assert or exercise any right

of Guarantor against Live Ventures to recover any amount in default by Live Ventures to Guarantor, including making any claim against Live Ventures by way of subrogation, reimbursement, contribution, exoneration, indemnity, or otherwise, whether arising by contract, operation of law, or under common law, and Guarantor shall not have and hereby expressly waives any right of recourse to any claim against Live Ventures or any assets or property of Live Ventures until the Obligations have been satisfied in full. It is the intention of the parties hereto that Guarantor shall not be deemed to be a "creditor" (as defined in Section 101 of Title 11 of the United States Code, as amended, or any similar federal or state law for the relief of debtors (the "***Bankruptcy Code***") of Live Ventures by reason of the existence of this Guaranty. If Live Ventures becomes a debtor in any proceeding under the Bankruptcy Code or any other debtor relief law, then in connection therewith Guarantor hereby waives any such right as a "creditor" under the Bankruptcy Code. Guarantor agrees that any liens, security interests, judgment liens, charges, or other encumbrances upon Live Ventures' assets securing payment of any obligation to Guarantor shall be and remain inferior and subordinate to any liens, security interests, charges, or other encumbrances, now existing or hereafter arising, upon Live Ventures' assets in favor of Spriggs.

7. Preference. Guarnator agrees that, to the extent that Live Ventures makes a payment or payments to Spriggs or Spriggs receives any proceeds of collateral, which payment or payments or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to Live Ventures, its estate, trustee, receiver, or any other party, including, without limitation, any guarantor, under any Bankruptcy Law, state or federal law, common law, judgment, decree, or order of any court or administrative body having jurisdiction over Spriggs or any of its property, or equitable cause, or any settlement or compromise of any such repayment claim effected by Spriggs with the claimant (including Live Ventures), then to the extent of such payment or repayment, the Obligations or part thereof which has been paid, reduced or satisfied by such amount shall be reinstated and continued in full force and effect as of the time immediately preceding such initial payment, reduction or satisfaction, and the Guarantor shall remain liable to Spriggs for the amount so repaid to the same extent as if such amount had never originally been received by Spriggs, notwithstanding any termination hereof or the cancellation of any note or other instrument evidencing any of the Obligations.

8. Representations. Guarantor represents and warrants that (a) it has all necessary power and authority to enter into this Guaranty and to perform its obligations hereunder; (b) the person executing this Guaranty has the power and authority to execute this Guaranty and bind Guarantor hereto; (c) the execution and delivery of this Guaranty has been duly and validly authorized by all action and constitutes a legal, valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms, except and to the extent as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity), and will not result in any violation of, or be in conflict with, any provision of law, or any order, judgment, agreement or restriction to which it is a party or may be bound; and (d) Guarantor is not insolvent and has the financial capacity to pay and perform its obligations under this Guaranty.

9. Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, (b) on the first business day following the date of dispatch if delivered utilizing a next-day service by a nationally recognized next-day courier, charges prepaid, or (c) on the earlier of confirmed receipt or the fifth business day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered to the addresses set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice:

(a) If to Guarantor, to:

Isaac Capital Group, LLC

325 E. Warm Springs Road, Suite 102

Las Vegas, NV 89119

Attn: Jon Isaac

(b) If to Spriggs, to:

Spriggs Investments, LLC
[***]
[***]
Attention: Rodney Spriggs, Manager
E-mail: [***]

With a copy (which shall not serve as notice) to:
Conroy Baran
1316 Saint Louis Avenue, 2nd Floor
Kansas City, Missouri 64101
Attention: Kyle Conroy, Member
E-Mail: kconroy@conroybaran.com

10. Governing Law; Venue. This Guaranty shall be governed by and construed in accordance with the laws of the State of Missouri (without reference to the conflicts of law provisions thereof). The invalidity or unenforceability of any provision hereof shall not limit the validity or enforceability of any other provision hereof. Any legal action or proceeding arising out of or relating to this Guaranty or for recognition and enforcement of any judgment in respect hereof shall be brought and determined in the United States District Court for the Western District of Missouri, and each of Guarantor and Spriggs irrevocably submits to the exclusive jurisdiction of such courts with regard to any such action or proceeding and agrees not to commence any such action, suit or proceeding except in such courts.

11. Amendments. This Guaranty may not be amended except by an instrument in writing signed by the parties hereto.

12. Entirety. THIS GUARANTY EMBODIES THE FINAL AND ENTIRE AGREEMENT OF GUARANTOR AND SPRIGGS WITH RESPECT TO GUARANTOR'S GUARANTY OF THE OBLIGATIONS AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF.

13. Survival. This Guaranty may not be revoked or terminated and shall remain in full force and effect and binding on the Guarantor, its successors, and its permitted assigns, until the complete, irrevocable, and indefeasible payment and satisfaction in full of the Obligations.

14. Successors and Assigns. Guarantor may not assign its rights, interests, or obligations hereunder to any person without the prior written consent of Spriggs. Any attempted assignment in violation of this section shall be null and void. This Guaranty shall inure to the benefit of Spriggs and its successors and assigns.

15. Waiver. No failure on the part of Spriggs to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise

by Spriggs of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power. Each and every right, remedy and power hereby granted to Spriggs or allowed it by applicable law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by Spriggs at any time or from time to time.

16. Counterparts. This Guaranty may be executed in counterparts, each of which shall be deemed an original, but all of which when taken together shall be deemed to be one and the same agreement. A signed copy of this Guaranty delivered by facsimile, e-mail, or other means of electronic transmission, shall be deemed to have the same legal effect as delivery of an original signed copy of this Guaranty.

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[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Guaranty effective as of the date first set forth above.

GUARANTOR:

ISAAC CAPITAL GROUP, LLC

By: _/s/ Jon Isaac_____
Jon Isaac, Sole Member and President and Chief Executive Officer

SPRIGGS:

SPRIGGS INVESTMENTS, LLC

By: _/s/ Rodney Spriggs_____
Rodney Spriggs, Manager

Exhibit 10.6

EMPLOYMENT AGREEMENT

This Employment Agreement (this "***Agreement***") is made and entered into as of July 14, 2020, by and between Thomas Sedlak (the "***Executive***") and Precision Industries, Inc., a Pennsylvania corporation (the "***Company***").

WHEREAS, the Company desires to employ the Executive on the terms and conditions set forth herein; and

WHEREAS, the Executive desires to be employed by the Company on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and obligations set forth herein, the parties agree as follows:

1. Term. The Executive's employment hereunder shall be effective as of the date hereof (the "***Effective Date***") and shall continue until July 14, 2 (the "***Termination Date***"), unless terminated earlier pursuant to Section 5 of this Agreement. The Executive and the Live Ventures CEO (as defined below) shall meet and confer at least nine months prior to the Termination Date to discuss any extension and/or modifications to the term of the Agreement (the "***Renewal Terms***") and, during the time between such date and the date that is 180 days prior to the Termination Date, determine whether to allow this Agreement to expire in accordance with its terms or reach mutual agreement on the Renewal Terms. The period during which the Executive is employed by the Company hereunder is hereinafter referred to as the "***Employment Term***".

2. Position and Duties.

2.1 Position. During the Employment Term, the Executive shall serve as the Chief Executive Officer of the Company, reporting Executive Officer (the "***Live Ventures CEO***") of Live Ventures Incorporated ("***Live Ventures*** "), the parent of the Company. In such position, the Executive shall have such duties, authority, and responsibilities as shall be determined from time to time by the Live Ventures CEO, which duties, authority, and responsibilities are consistent with the Executive's position. The Executive shall, if requested, also serve as a member of the board of directors of the Company (the "***Board***") or as an officer or director of any affiliate of the Company for no additional compensation.

2.2 Duties . During the Employment Term, the Executive shall devote substantially all of Executive's business time and attenti performance of the Executive's duties hereunder and will not engage in any other business, profession, or occupation for compensation or otherwise which would conflict or interfere with the performance of such services either directly or indirectly without the prior written consent of the Board. Notwithstanding the foregoing, the Executive will be permitted to with the prior written consent of the Board act or serve as a director, trustee, committee member, or principal of any type of business, civic, or charitable organization as long as such activities are disclosed in writing to the Live Ventures CEO, provided that such activities do not interfere with the performance of the Executive's duties and responsibilities to the Company as provided hereunder, including, but not limited to, the obligations set forth in Section 2 hereof.

Notwithstanding the foregoing, during the Employment Term, the Executive shall be permitted, and does not require the prior written consent of the Board, to continue or expand his passive ownership and operation of farm and/or real estate holdings, which consist of the Executive acting merely and in a customary role as a landlord and which role shall not interfere in the performance of Executive's duties hereunder.

3. Place of Performance. The principal place of Executive's employment shall be the Company's principal executive office currently located at 9 Berry Rd, Washington, Pennsylvania 15301; provided that, the Executive may be required to travel on Company business during the Employment Term.

4. Compensation.

4.1 Base Salary. The Company shall pay the Executive an annual base salary of $275,000 in periodic installments in accordance with the Company's customary payroll practices and applicable wage payment laws. On each anniversary date of the date of this Agreement during the Employment Term, the Executive's annual base salary shall be increased by 3.5%. The Executive's annual base salary, as in effect from time to time, is hereinafter referred to as "***Base Salary***".

4.2 Annual Bonus. A performance bonus, if any, shall be paid following written confirmation of achievement of the Annual Bonus by Live Ventures' Chief Financial Officer annually ("***Annual Bonus***") and within 90 days of the Company's fiscal year end in accordance with the terms of this Section 4.2:

EBITDA Excess	Bonus Amount
Equal to or greater than $0 and less than $1.0 million	10.0% of EBITDA Excess
Equal to or greater than $1.0 million and less than $2.0 million	12.5% of EBITDA Excess
Equal to or greater than $2.0 million	15.0% of EBITDA Excess

"***Base EBITDA***" means, for the particular period described below:

Time Period	Base EBITDA
90 days after the date hereof through 90 days after First Anniversary of the date hereof	$6,000,000

91 days after 1st Anniversary of the date hereof through 90 days after Second Anniversary of the date hereof	$6,550,000
91 days after 2nd Anniversary of the date hereof through 90 days after Third Anniversary of the date hereof	$7,400,000
91 days after 3rd Anniversary of the date hereof through 90 days after Fourth Anniversary of the date hereof	$8,200,000
91 days after 4th Anniversary of the date hereof through 90 days after Fifth Anniversary of the date hereof	$8,800,000

Any Annual Bonus is calculated incrementally. For example purposes only, assume that as of 91 days after the Third Anniversary, the Company generates $11.0 million of EBITDA. As a result, there is $2.8 million of EBITDA Excess. The Executive would be entitled to an Annual Bonus equal to $345,000 ($100,000 *plus* $125,000 *plus* $120,000). In the event that the Agreement is extended by mutual agreement pursuant to Section 1, each time the Agreement is extended, the Executive and the Live Ventures CEO shall meet any discuss in good faith any changes to the Base EBITDA for purposes of calculating Executive's Annual Bonus. If the Employment Term does not exceed 90 days after the Fifth Anniversary, Executive shall receive a pro-rated portion of the Annual Bonus.

"***EBITDA***" means with respect to each Annual Bonus, operating earnings adjusted to exclude special items and impairments (such special items and impairments to be mutually agreed upon by the Executive and the Live Ventures CEO, both parties agreeing to act reasonably), interest, income tax expense and benefits, depreciation, management fees paid by the Company to Live Ventures, if any, payment of any bonuses by the Company to Executive in connection with EBITDA targets, capitalization of fixed assets, and amortization that are directly related to the operations of the Company's business. The calculation of EBITDA shall be consistent throughout the Employment Term.

"***EBITDA Excess***" means the actual amount of EBITDA in excess of the Base EBITDA.

4.3 Fringe Benefits and Perquisites . During the Employment Term, the Executive shall be entitled to fringe benefits and perc (including but not limited to any applicable benefits related to health, dental, vision, life, disability, retirement, etc.) consistent with the practices of the Company and governing benefit plan requirements (including plan eligibility provisions), and to the extent the Company provides similar benefits or perquisites (or both) to similarly situated executives of the Company. Notwithstanding the foregoing, during the Employment Term, the Company shall provide the Executive with (i) a vehicle allowance of $1,400 dollars per month, (ii) an allowance of

$4,000 to contribute towards the purchase and/or lease of any vehicle that will be used as the Executive's primary vehicle, (iii) an allowance of $400 per month to contribute towards the premiums of a $4.0 million life insurance policy; provided, however, that the Company shall have the option of purchasing additional coverage on such policy (the "***Additional Coverage***") provided that the Company is named as the beneficiary of such Additional Coverage and pays the premiums associated with such Additional Coverage, (iv) an allowance of up to $500 per month to contribute towards the purchase by the Executive of a long-term disability insurance policy providing a disability benefit of at least 80% of the Executive's Base Salary, and (v) an annual contribution (as determined under a Deferred Compensation Agreement between the Company and Executive) equal to 15% of the Executive's annual Base Salary; (each individually referred to as an "***Executive Fringe Benefit***").

4.4 Employee Benefits. During the Employment Term, the Executive shall be entitled to participate in all employee benefit plan and programs maintained by the Company, as in effect from time to time (collectively, "***Employee Benefit Plans***"), to the extent consistent with applicable law and the terms of the applicable Employee Benefit Plans. The Company reserves the right to amend or terminate any Employee Benefit Plans at any time in its sole discretion, subject to the terms of such Employee Benefit Plan and applicable law.

4.5 Vacation; Paid Time Off. During the Employment Term, the Executive shall be entitled to five weeks of paid vacation day p year (prorated for partial years) in accordance with the Company's vacation policies, as in effect from time to time.

4.6 Business Expenses. The Executive shall be entitled to reimbursement for all reasonable and necessary out-of-pocket busines entertainment, and travel expenses incurred by the Executive in connection with the performance of the Executive's duties hereunder in accordance with the Company's expense reimbursement policies and procedures.

4.7 Clawback and Forfeiture Provisions. Notwithstanding any other provisions in this Agreement to the contrary, any incentive-compensation paid to the Executive under this Agreement or any other agreement or arrangement with the Company which is subject to recovery under any law, government regulation, or stock exchange listing requirement will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation, or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement). In the event that the Executive materially breaches any of the covenants in Sections 8 or 9, whether during or following his term of employment, the right to any incentive-based or deferred compensation payable to the Executive under this Agreement, or any other agreement or arrangement, and which has not yet been paid or distributed, shall be forfeited immediately; provided however, that such forfeiture shall not limit recovery of damages that exceed the amount of any such forfeiture.

5. Termination of Employment. The Employment Term and the Executive's employment hereunder may be terminated by either the Company or the Executive at any time and for any reason; provided that, unless otherwise provided herein, either party shall be required to give the other party at least 60 days advance written notice of any termination of the Executive's employment. On termination of the Executive's employment during the Employment Term, the Executive shall be entitled to the compensation and benefits described in this Section 5 and shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

5.1 Provision of Written Notice of Intention Not to Extend or For Cause.

(a) The Executive's employment hereunder may be terminated upon either party providing written notice of its intention not to extend the term of the Agreement in accordance with Section 1 or by the Company for Cause. If the Executive's employment is terminated upon either party providing written notice of its intention not to extend the term of the Agreement in accordance with Section 1 or by the Company for Cause, the Executive shall be entitled to receive:

(i) any accrued but unpaid Base Salary and accrued but unused vacation which shall be paid on the pay date immediately following the Termination Date (as defined below) in accordance with the Company's customary payroll procedures;

(ii) reimbursement for unreimbursed business expenses properly incurred by the Executive, which shall be subject to and paid in accordance with the Company's expense reimbursement policy; and

(iii) such employee benefits, if any, to which the Executive may be entitled under the Company's employee benefit plans as of the Termination Date; provided that, in no event shall the Executive be entitled to any payments in the nature of severance or termination payments except as specifically provided herein.

Items 5.1(a)(i) through 5.1(a)(iii) are referred to herein collectively as the "***Accrued Amounts***".

(b) For purposes of this Agreement, "***Cause***" shall mean:

(i) the Executive's failure to comply with any valid and legal directive of the Live Ventures CEO;

(ii) the Executive's engagement in illegal conduct or misconduct, which is, in each case, injurious to the Company Group (as defined below) or their respective affiliates;

(iii) the Executive's conviction of or plea of guilty or nolo contendere for embezzlement, misappropriation, or fraud, whether or not related to the Executive's employment with the Company;

(iv) the Executive's conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude;

(v) the Executive's violation of the written policies or codes of conduct of the Company, including written policies related to discrimination, harassment, performance of illegal or unethical activities, and ethical misconduct;

(vi) the Executive's violation of the provisions in Section 9 hereof;

(vii) the Executive's material breach of any material obligation under this Agreement or any other written agreement between the Executive and the Company; or

(viii) the Executive's engagement in conduct that brings or is reasonably likely to bring the Company of Live Ventures negative publicity or into public disgrace, embarrassment, or disrepute.

Except for a failure, breach, or refusal which, by its nature, cannot reasonably be expected to be cured, the Executive shall have 10 business days from the delivery of written notice by the Company within which to cure any acts constituting Cause; provided however, that, if the Company reasonably expects irreparable injury from a delay of five business days, the Company may give the Executive notice of such shorter period within which to cure as is reasonable under the circumstances, which may include the termination of the Executive's employment without notice and with immediate effect.

5.2 Without Cause. The Employment Term and the Executive's employment hereunder may be terminated by the Company without Cause. In the event of such termination, the Executive shall be entitled to receive the Accrued Amounts and subject to the Executive's compliance with Section 6, Section 8, Section 9, and Section 10 of this Agreement and the Executive's execution of a release of claims in favor of the Company Group and their respective officers and directors in a form provided by the Company (the "***Release***"), the Executive shall be entitled to receive the following:

(a) continued Base Salary for nine months following the Termination Date payable in equal installments in accordance with the Company's normal payroll practices; and

(b) a payment equal to the product of (i) the Annual Bonus, if any, that the Executive would have earned for the fiscal year in which the Termination Date (as determined in accordance with Section 5.6) occurs based on achievement of the applicable performance goals for such year and (ii) a fraction, the numerator of which

is the number of days the Executive was employed by the Company during the year of termination and the denominator of which is the number of days in such year (the "***Pro-Rata Bonus***"). This amount shall be paid on the date that annual bonuses are paid to similarly situated executives and in any event within the 90-day period specified in Section 4.2 above.

5.3 [Intentionally left blank.]

5.4 Death or Disability.

(a) The Executive's employment hereunder shall terminate automatically on the Executive's death during the Employment Term, and the Company may terminate the Executive's employment on account of the Executive's Disability.

(b) If the Executive's employment is terminated during the Employment Term on account of the Executive's death or Disability, the Executive (or the Executive's estate and/or beneficiaries, as the case may be) shall be entitled to receive the Accrued Amounts. Notwithstanding any other provision contained herein, all payments made in connection with the Executive's Disability shall be provided in a manner which is consistent with federal and state law.

(c) For purposes of this Agreement, "***Disability***" shall mean the Executive's inability, due to physical or mental incapacity, to perform the essential functions of the Executive's job, for 90 days out of any 365-day period. Any question as to the existence of the Executive's Disability as to which the Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Executive and the Company. If the Executive and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and the Executive shall be final and conclusive for all purposes of this Agreement.

5.5 Notice of Termination. Any termination of the Executive's employment hereunder by the Company or by the Executive duri Employment Term (other than termination pursuant to Section 5.4(a) on account of the Executive's death) shall be communicated by written notice of termination ("***Notice of Termination***") to the other party hereto in accordance with Section 25. The Notice of Termination shall specify:

(a) The termination provision of this Agreement relied upon;

(b) To the extent applicable, the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated; and

(c) The applicable Termination Date.

5.6 Termination Date. The Executive's "***Termination Date***" shall be:

(a) If the Executive's employment hereunder terminates on account of the Executive's death, the date of the Executive's death;

(b) If the Executive's employment hereunder is terminated on account of the Executive's Disability, the date that it is determined that the Executive has a Disability;

(c) If the Company terminates the Executive's employment hereunder for Cause, the date the Notice of Termination is delivered to the Executive;

(d) If the Company terminates the Executive's employment hereunder without Cause, the date specified in the Notice of Termination; or

(e) If the Employment Term is not extended in accordance with the terms hereof, the Executive's last day of employment with the Company.

5.7 Resignation of All Other Positions. On termination of the Executive's employment hereunder for any reason, the Executive s deemed to have resigned from all positions that the Executive holds as an officer or member of the Board (or a committee thereof) of the Company or any of its affiliates.

6. Change in Control Bonus. In the event of a Change of Control (as defined below) and within six months after the consummation of such Change of Control Executive's employment is terminated by the Company for any reason other than Cause, death, or disability, then the Company shall pay the Executive an amount equal to Executive's Base Salary in effect at the time for a period equal to 24 months within 10 business days following such termination.

For purposes of this Agreement, "***Change in Control***" means (i) the sale, lease, exchange, transfer or other disposition, including the disposition of the Company through bankruptcy proceedings (other than liens and encumbrances created in the ordinary course of business, including liens or encumbrances to secure indebtedness for borrowed money that are approved by the Company's Board of Directors,) of all or substantially all of the Company's property and assets; provided that any sale, lease, exchange or other disposition of property or assets exclusively between or among the Company and any direct or indirect subsidiary or subsidiaries of the Company shall not be deemed a "***Change of Control***"; and (ii) the merger, consolidation, business combination, or other similar transaction of the Company with any other entity; *provided, however,* that a merger, consolidation, business combination, or other similar transaction that would result in (1) the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) more than 50% of the total voting power represented by the voting securities of the surviving entity and (2) more than 50% of the total number of outstanding shares of the surviving entity's capital stock, in the case of clauses (1) and (2) above as outstanding immediately after such merger, consolidation, business combination, or other similar transaction, and the stockholders of the Company immediately prior to the merger, consolidation, business combination, or other similar transaction own voting securities of the

Company, the surviving entity or its parent immediately following the merger, consolidation, business combination, or other similar transaction in substantially the same proportions (vis a vis each other) as such stockholders owned the voting securities of the Company immediately prior to the transaction shall not be deemed a "***Change of Control***", and solely for purposes of this proviso, so long as there is no (i) material reduction, without Executive's consent, of the Executive's base salary, unless the reduction is generally applicable to substantially all senior executives of the Company, (ii) material reduction on an aggregate basis of the benefits provided to the Executive under the Company's benefits plans, unless the reduction is generally applicable to substantially all senior executives of the Company, (iii) substantial diminution in the Executive's authority or duties that is materially inconsistent with his position of Chief Executive Officer prior to such Change of Control without the Company's consent; and (iv) relocation of more than 50 miles from the Company's principal place of work that also increases the commute from the Company's principal residence by more than 50 miles.

7. Cooperation. The parties agree that certain matters in which the Executive will be involved during the Employment Term may necessitate the Executive's cooperation in the future. Accordingly, following the termination of the Executive's employment for any reason, to the extent reasonably requested by the Board, the Executive shall cooperate with the Company in connection with matters arising out of the Executive's service to the Company.

8. Confidential Information. The Executive understands and acknowledges that during the Employment Term, the Executive will have access to a learn about Confidential Information, as defined below.

8.1 Confidential Information Defined.

(a) Definition.

For purposes of this Agreement, "***Confidential Information***" includes, but is not limited to, all information not generally known to the public, in spoken, printed, electronic or any other form or medium, relating directly or indirectly to: business processes, practices, methods, policies, plans, publications, documents, research, operations, services, strategies, techniques, agreements, contracts, terms of agreements, transactions, potential transactions, negotiations, pending negotiations, know-how, trade secrets, computer programs, computer software, applications, operating systems, software design, web design, work-in-process, databases, device configurations, embedded data, compilations, metadata, technologies, manuals, records, articles, systems, material, sources of material, supplier information, vendor information, financial information, results, accounting information, accounting records, legal information, marketing information, advertising information, pricing information, credit information, design information, payroll information, staffing information, personnel information, employee lists, supplier lists, vendor lists, developments, reports, internal controls, security procedures, graphics, drawings, sketches, market studies, sales information, revenue, costs, formulae, notes, communications, algorithms, product plans, designs, styles, models, ideas, audiovisual programs, inventions, unpublished patent applications, original works of authorship,

discoveries, experimental processes, experimental results, specifications, customer information, customer lists, client information, client lists, manufacturing information, factory lists, distributor lists, and buyer lists of the Company Group or its businesses or any existing or prospective customer, supplier, investor or other associated third party, or of any other person or entity that has entrusted information to the Company Group in confidence.

The Executive understands that the above list is not exhaustive, and that Confidential Information also includes other information that is marked or otherwise identified as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used.

The Executive understands and agrees that Confidential Information includes information developed by Executive in the course of employment by the Company as if the Company furnished the same Confidential Information to the Executive in the first instance. Confidential Information shall not include information that is generally available to and known by the public at the time of disclosure to the Executive; provided that, such disclosure is through no direct or indirect fault of the Executive or person(s) acting on the Executive's behalf.

(b) Company Creation and Use of Confidential Information.

The Executive understands and acknowledges that the Company Group has invested, and continues to invest, substantial time, money, and specialized knowledge into developing its resources, creating a customer base, generating customer and potential customer lists, training its employees, and improving its offerings in the field of its businesses. The Executive understands and acknowledges that as a result of these efforts, the Company Group has created, and continues to use and create Confidential Information. This Confidential Information provides the Company Group with a competitive advantage over others in the marketplace.

(c) Disclosure and Use Restrictions.

The Executive agrees and covenants: (i) to treat all Confidential Information as strictly confidential; (ii) not to directly or indirectly disclose, publish, communicate, or make available Confidential Information, or allow it to be disclosed, published, communicated, or made available, in whole or part, to any entity or person whatsoever (including other employees of the Company Group) not having a need to know and authority to know and use the Confidential Information in connection with the business of the Company Group and, in any event, not to anyone outside of the direct employ of the Company Group except as required in the performance of the Executive’s authorized employment duties to the Company or with the prior consent of the Live Ventures CEO acting on behalf of the Company Group in each instance (and then, such disclosure shall be made only within the limits and to the extent of such duties or consent); and (iii) not to access or use any Confidential Information, and not to copy any documents, records, files, media, or other resources containing

any Confidential Information, or remove any such documents, records, files, media, or other resources from the premises or control of the Company Group, except as required in the performance of the Executive's authorized employment duties to the Company or with the prior consent of the Live Ventures CEO acting on behalf of the Company Group in each instance (and then, such disclosure shall be made only within the limits and to the extent of such duties or consent).

Nothing herein shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. The Executive shall promptly provide written notice of any such order to the Live Ventures CEO.

(d) Permitted Disclosures. Nothing herein shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. The Executive shall promptly provide written notice of any such order to the Live Ventures CEO.

9. Restrictive Covenants.

9.1 Acknowledgement. The Executive understands that the nature of the Executive's position gives the Executive access to and knowledge of Confidential Information and places the Executive in a position of trust and confidence with the Company. The Executive understands and acknowledges that the intellectual and other services the Executive provides to the Company are unique, special, or extraordinary. The Executive further understands and acknowledges that the Company's ability to reserve these for the exclusive knowledge and use of the Company is of great competitive importance and commercial value to the Company, and that improper use or disclosure by the Executive is likely to result in unfair or unlawful competitive activity.

9.2 Non-Competition. Because of the Company's legitimate business interest as described herein and the good and valuable con offered to the Executive, during the Employment Term and for two years, beginning on the last day of the Executive's employment with the Company, regardless of the reason for the termination and whether employment is terminated at the option of the Executive or the Company, the Executive agrees and covenants not to engage in Prohibited Activity within the United States.

For purposes of this Section 9, "***Prohibited Activity***" is activity in which the Executive contributes the Executive's knowledge, directly or indirectly, in whole or in part, as an employee, employer, owner, operator, manager, advisor, consultant, agent, employee, partner, director, stockholder, officer, volunteer, intern, or any other similar capacity to an entity engaged in the same or similar business as the Company, including those engaged in the business of fabricating or supplying, directly or indirectly, prefinished specialty steel

products. Prohibited Activity also includes activity that may require or inevitably requires disclosure of trade secrets, proprietary information, or Confidential Information.

This Section 9 does not, in any way, restrict or impede the Executive from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order. The Executive shall promptly provide written notice of any such order to the Live Ventures CEO.

9.3 Non-Solicitation of Employees. The Executive agrees and covenants not to directly or indirectly solicit, hire, recruit, attempt recruit, or induce the termination of employment of any employee of the Company, or attempt to do so, for two years, beginning on the last day of the Executive's employment with the Company.

9.4 Non-Solicitation of Customers. The Executive understands and acknowledges that because of the Executive's experience wi relationship to the Company, the Executive will have access to and learn about much or all of the Company's customer information. "***Customer Information***" includes, but is not limited to, names, phone numbers, addresses, email addresses, order history, order preferences, chain of command, decisionmakers, pricing information, and other information identifying facts and circumstances specific to the customer and relevant to sales and/or services.

The Executive understands and acknowledges that loss of this customer relationship and/or goodwill will cause significant and irreparable harm.

The Executive agrees and covenants, for two years, beginning on the last day of the Executive's employment with the Company, not to directly or indirectly solicit, contact (including but not limited to email, regular mail, express mail, telephone, fax, instant message, or social media), attempt to contact, or meet with the Company's current, former, or prospective customers for purposes of offering or accepting goods or services similar to or competitive with those offered by the Company.

10. Non-Disparagement. The Executive agrees and covenants that the Executive will not at any time make, publish, or communicate to any perso entity or in any public forum any defamatory or disparaging remarks, comments, or statements concerning the Company Group, or any Company Group affiliates, businesses, employees, officers, and existing and prospective customers, suppliers, investors and other associated third parties. "***Company Group***" means, collectively, the Company, Live Ventures, and any of their respective direct or indirect subsidiaries or affiliates.

This Section 10 does not, in any way, restrict or impede the Executive from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order.

11. Acknowledgement. The Executive acknowledges and agrees that the services to be rendered by the Executive to the Company are of a speci unique character; that the Executive will obtain knowledge and skill relevant to the Company's industry, methods of doing business and marketing strategies by virtue of the Executive's employment; and that the restrictive covenants and other terms and conditions of this Agreement are reasonable and reasonably necessary to protect the legitimate business interest of the Company.

The Executive further acknowledges that the benefits provided to the Executive under this Agreement, including the amount of the Executive's compensation, reflects, in part, the Executive's obligations and the Company's rights under Section 8, Section 9, and Section 10 of this Agreement; that the Executive has no expectation of any additional compensation, royalties, or other payment of any kind not otherwise referenced herein in connection herewith; and that the Executive will not suffer undue hardship by reason of full compliance with the terms and conditions of Section 8, Section 9, and Section 10 of this Agreement or the Company's enforcement thereof.

12. Remedies. In the event of a breach or threatened breach by the Executive of Section 8, Section 9, or Section 10 of this Agreement, the Execut hereby consents and agrees that the Company shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, and that money damages would not afford an adequate remedy, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. In the event of a breach or threatened breach by the Company Group of Section 9, the Company Group hereby consents and agrees that the Executive shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, and that money damages would not afford an adequate remedy, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available forms of relief.

13. Proprietary Rights.

13.1 Work Product. The Executive acknowledges and agrees that all right, title, and interest in and to all writings, works of auth technology, inventions, discoveries, processes, techniques, methods, ideas, concepts, research, proposals, materials, and all other work product of any nature whatsoever, that are created, prepared, produced, authored, edited, amended, conceived, or reduced to practice by the Executive individually or jointly with others during the Employment Term and relate in any way to the business or contemplated business, products, activities, research, or development of the Company or result from any work performed by the Executive for the Company (in each case, regardless of when or where prepared or whose equipment or other resources is used in preparing the same), all rights and claims related to the foregoing, and all printed, physical and electronic copies, and other tangible embodiments thereof (collectively, "***Work Product***"), as well as any and all rights in and to US and foreign (a) patents, patent disclosures and inventions (whether patentable or not), (b) trademarks, service marks, trade dress, trade names, logos,

corporate names, and domain names, and other similar designations of source or origin, together with the goodwill symbolized by any of the foregoing, (c) copyrights and copyrightable works (including computer programs), mask works, and rights in data and databases, (d) trade secrets, know-how, and other confidential information, and (e) all other intellectual property rights, in each case whether registered or unregistered and including all registrations and applications for, and renewals and extensions of, such rights, all improvements thereto and all similar or equivalent rights or forms of protection in any part of the world (collectively, "***Intellectual Property Rights***"), shall be the sole and exclusive property of the Company.

For purposes of this Agreement, Work Product includes, but is not limited to, Company Group information, including plans, publications, research, strategies, techniques, agreements, documents, contracts, terms of agreements, negotiations, know-how, computer programs, computer applications, software design, web design, work in process, databases, manuals, results, developments, reports, graphics, drawings, sketches, market studies, formulae, notes, communications, algorithms, product plans, product designs, styles, models, audiovisual programs, inventions, unpublished patent applications, original works of authorship, discoveries, experimental processes, experimental results, specifications, customer information, client information, customer lists, client lists, manufacturing information, marketing information, advertising information, and sales information.

13.2 Work Made for Hire; Assignment. The Executive acknowledges that, by reason of being employed by the Company at the t to the extent permitted by law, all of the Work Product consisting of copyrightable subject matter is "work made for hire" as defined in 17 U.S.C. § 101 and such copyrights are therefore owned by the Company. To the extent that the foregoing does not apply, the Executive hereby irrevocably assigns to the Company, for no additional consideration, the Executive's entire right, title, and interest in and to all Work Product and Intellectual Property Rights therein, including the right to sue, counterclaim, and recover for all past, present, and future infringement, misappropriation, or dilution thereof, and all rights corresponding thereto throughout the world. Nothing contained in this Agreement shall be construed to reduce or limit the Company's rights, title, or interest in any Work Product or Intellectual Property Rights so as to be less in any respect than that the Company would have had in the absence of this Agreement.

13.3 Further Assurances; Power of Attorney . During and after the Employment Term, the Executive agrees to reasonably coop Company to (a) apply for, obtain, perfect, and transfer to the Company the Work Product as well as any and all Intellectual Property Rights in the Work Product in any jurisdiction in the world; and (b) maintain, protect and enforce the same, including, without limitation, giving testimony and executing and delivering to the Company any and all applications, oaths, declarations, affidavits, waivers, assignments, and other documents and instruments as shall be requested by the Company. The Executive hereby irrevocably grants the Company power of attorney to execute and deliver any such documents on the Executive's behalf in the Executive's name and to do all other lawfully permitted acts to transfer the Work Product to the Company and further the transfer, prosecution, issuance, and maintenance of all Intellectual

Property Rights therein, to the full extent permitted by law, if the Executive does not promptly cooperate with the Company's request (without limiting the rights the Company shall have in such circumstances by operation of law). The power of attorney is coupled with an interest and shall not be affected by the Executive's subsequent incapacity.

13.4 No License. The Executive understands that this Agreement does not, and shall not be construed to, grant the Executive any right of any nature with respect to any Work Product or Intellectual Property Rights or any Confidential Information, materials, software, or other tools made available to the Executive by the Company.

14. Security.

14.1 Security and Access. The Executive agrees and covenants (a) to comply with all Company Group security policies and procedures in force from time to time including without limitation those regarding computer equipment, telephone systems, voicemail systems, facilities access, monitoring, key cards, access codes, internet, social media and instant messaging systems, computer systems, email systems, computer networks, document storage systems, software, data security, encryption, firewalls, passwords and any and all other Company Group facilities, IT resources and communication technologies ("***Facilities and Information Technology Resources***"); (b) not to access or use any Facilities and Information Technology Resources except as authorized by the Company; and (iii) not to access or use any Facilities and Information Technology Resources in any manner after the termination of the Executive's employment by the Company, whether termination is voluntary or involuntary. The Executive agrees to notify the Company promptly in the event the Executive learns of any violation of the foregoing by others, or of any other misappropriation or unauthorized access, use, reproduction, or reverse engineering of, or tampering with any Facilities and Information Technology Resources or other Company Group property or materials by others.

14.2 Exit Obligations. Upon (a) voluntary or involuntary termination of the Executive's employment or (b) the Company's request during the Executive's employment, the Executive shall (i) provide or return to the Company any and all Company Group property, including keys, key cards, access cards, identification cards, security devices, employer credit cards, network access devices, computers, cell phones, smartphones, PDAs, fax machines, equipment, speakers, webcams, manuals, reports, files, books, compilations, work product, email messages, recordings, thumb drives or other removable information storage devices, hard drives, and data and all Company Group documents and materials belonging to the Company and stored in any fashion, including but not limited to those that constitute or contain any Confidential Information or Work Product, that are in the possession or control of the Executive, whether they were provided to the Executive by the Company Group or any of its business associates or created by the Executive in connection with the Executive's employment by the Company; and (ii) delete or destroy all copies of any such documents and materials not returned to the Company that remain in the Executive's possession or control, including those stored on any non-Company Group devices, networks, storage locations, and media in the Executive's possession or control.

15. Publicity. The Executive hereby irrevocably consents to any and all uses and displays, by the Company Group and its agents, representatives licensees, of the Executives name, voice, likeness, image, appearance, and biographical information in, on or in connection with any pictures, photographs, audio and video recordings, digital images, websites, television programs and advertising, other advertising and publicity, sales and marketing brochures, books, magazines, other publications, CDs, DVDs, tapes, and all other printed and electronic forms and media throughout the world, at any time during or after the Employment Term, for all legitimate commercial and business purposes of the Company Group ("***Permitted Uses***") without further consent from or royalty, payment, or other compensation to the Executive. The Executive hereby forever waives and releases the Company Group and its directors, officers, employees, and agents from any and all claims, actions, damages, losses, costs, expenses, and liability of any kind, arising under any legal or equitable theory whatsoever at any time during or after the Employment Term, arising directly or indirectly from the Company Group's and its agents', representatives', and licensees' exercise of their rights in connection with any Permitted Uses.

16. Governing Law: Jurisdiction and Venue. This Agreement, for all purposes, shall be construed in accordance with the laws of the State of Nev without regard to conflicts of law principles. Any action or proceeding by either of the parties to enforce this Agreement shall be brought only in a state or federal court located in the state of Nevada, county of Clark. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

17. Entire Agreement. Unless specifically provided herein, this Agreement contains all of the understandings and representations between the Executive and the Company pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter. The parties mutually agree that the Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement.

18. Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to writing and signed by the Executive and by another officer of the Company as designated in writing by the Live Ventures CEO. No waiver by either of the parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either of the parties in exercising any right, power, or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege.

19. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement.

The parties further agree that any such court is expressly authorized to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement, or by making such other modifications as it deems warranted to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by law.

The parties expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth herein.

20. Captions. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of th Agreement is to be construed by reference to the caption or heading of any section or paragraph.

21. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which taken to shall constitute one and the same instrument.

22. Tolling. Should the Executive violate any of the terms of the restrictive covenant obligations articulated herein, the obligation at issue will ru from the first date on which the Executive ceases to be in violation of such obligation.

23. Notification to Subsequent Employer. When the Executive's employment with the Company terminates, the Executive agrees to notify any subsequent employer of the restrictive covenants sections contained in this Agreement.

24. Successors and Assigns. This Agreement is personal to the Executive and shall not be assigned by the Executive. Any purported assignment b Executive shall be null and void from the initial date of the purported assignment. The Company may assign this Agreement to any successor or assign (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company. This Agreement shall inure to the benefit of the Company and permitted successors and assigns.

25. Section 409A Compliance.

(a) This Agreement is intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("**Section 409A**"), including the exceptions thereto, and shall be construed and administered in accordance with such intent. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be

treated as a separate payment. Any payments to be made under this Agreement in connection with a termination of employment shall only be made if such termination of employment constitutes a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A.

(b) Notwithstanding any other provision of this Agreement, if at the time of the Executive's termination of employment, he is a "specified employee", determined in accordance with Section 409A, any payments and benefits provided under this Agreement that constitute "nonqualified deferred compensation" subject to Section 409A, that are provided to the Executive on account of his separation from service, shall not be paid until the first payroll date to occur following the six-month anniversary of the Executive's termination date ("***Specified Employee Payment Date***"). The aggregate amount of any payments that otherwise would have been made during such six-month period shall be paid in a lump sum on the Specified Employee Payment Date without interest and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule. If the Executive dies before the Specified Employee Payment Date, any delayed payments shall be paid to the Executive's estate in a lump sum within two weeks of the Executive's death.

26. Notice. Notices and all other communications provided for in this Agreement shall be in writing and shall be delivered personally or sent by overnight carrier or electronic mail to the parties at the addresses set forth below (or such other addresses as specified by the parties by like notice):

If to the Company:

Precision Industries Inc.
c/o Live Ventures Incorporated
325 E. Warm Springs Road, Suite 102
Las Vegas, Nevada 89119
Attn: Jon Isaac, President and CEO
Email: jisaac@isaac.com

If to the Executive:

Thomas Sedlak
87 Porter Hill Road
Washington, Pennsylvania 15301

27. Representations of the Executive. The Executive represents and warrants to the Company that:

(a) The Executive's acceptance of employment with the Company and the performance of duties hereunder will not conflict with or result in a violation of, a

breach of, or a default under any contract, agreement, or understanding to which the Executive is a party or is otherwise bound.

(b) The Executive's acceptance of employment with the Company and the performance of duties hereunder will not violate any non-solicitation, non-competition, or other similar covenant or agreement of a prior employer.

28. Withholding. The Company shall have the right to withhold from any amount payable hereunder any Federal, state, and local taxes in order fo Company to satisfy any withholding tax obligation it may have under any applicable law or regulation.

29. Survival. Upon the expiration or other termination of this Agreement, the respective rights and obligations of the parties hereto shall survive s expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.

30. Acknowledgement of Full Understanding. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF THE EXECUTIVE'S CHOICE BEFORE SIGNING THIS AGREEMENT.

(Remainder of this page intentionally left blank; signatures begin on the next page.)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

PRECISION INDUSTRIES, INC.

By: /s/ Jon Isaac

Name: Jon Isaac

Title: President

EXECUTIVE

Signature: /s/ Thomas Sedlak

Print Name: Thomas Sedlak

PRECISION INDUSTRIES, INC.

DEFERRED COMPENSATION AGREEMENT

This Deferred Compensation Agreement ("***Agreement***") is made between Precision Industries, Inc., a Pennsylvania corporation ("***Company***"), and Thomas Sedlak ("***Executive***"), effective as of the effective date of the Employment Agreement between the Company and Executive (the "***Employment Agreement***") (the "***Effective Date***").

BACKGROUND INFORMATION

A. Executive is employed as the Chief Executive Officer of the Company.

B. Executive desires to have the opportunity to defer and postpone a portion of the compensation to be earned for services to be rendered in 2020 (after the Effective Date) and in future years of employment, and in consideration of the performance of future services to the Company by Executive, the Company is willing to permit Executive to defer and postpone a portion of such compensation, on the terms and subject to the conditions of this Agreement.

C. The Company intends for this Agreement to be an unfunded, nonqualified deferred compensation arrangement, as provided under the Employee Retirement Income Security Act of 1974, as amended ("***ERISA***"), and that the Agreement satisfy the requirements of a "top hat" arrangement thereunder and under Labor Regulation Section 2520.104-23.

D. This Agreement is intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "***Code***"), and guidance of general applicability issued thereunder.

AGREEMENT

The Company and Executive acknowledge the accuracy of the foregoing background information and agree as follows:

ARTICLE 1

DEFINITIONS AND GENERAL PROVISIONS

1.1 Definitions. Unless the context requires otherwise, the terms defined in this Article shall have the meanings set forth below unless the context clearly requires another meaning. When the defined meaning is intended, the term is capitalized:

(a) Account. A hypothetical bookkeeping account established in the name of Executive and maintained by the Company to reflect Executive's interests under this Agreement.

(b) Base Salary. The annual rate of base pay paid by the Company to or for the benefit of Executive for services rendered.

(c) Beneficiary. Any person who becomes entitled to receive any distribution hereunder by reason of the death of Executive.

(d) Board. The Company's Board of Directors.

(e) Director. A member of the Board of Directors of the Company.

(f) Investment Options. The investment funds, index(es) or vehicle(s) as are selected by Executive, from time to time, in the same investment choices available under the Precision Industries 401(k) Plan.

(g) Separation from Service. Executive separates from service with the Company if Executive dies, retires or otherwise has a termination of employment with the Company. Whether a termination of employment has occurred is determined based on whether the facts and circumstances indicate that the Company and Executive reasonably anticipated that no further services would be performed after a certain date or that the level of bona fide services Executive would perform after such date (as an employee or independent contractor) would permanently decrease to no more than 49 percent of the average level of bona fide services performed over the immediately preceding 12-month period. Executive will not be deemed to have experienced a Separation from Service if Executive is on military leave, sick leave, or other bona fide leave of absence, to the extent such leave does not exceed a period of six months or, if longer, such longer period of time during which a right to re-employment is protected by either statute or contract. If the period of leave exceeds six months and Executive does not retain a right to re-employment under an applicable statute or by contract, the employment relationship is deemed to terminate on the first date immediately following such six-month period. If Executive provides services both as an employee and as a Director, the services provided as a Director are generally not taken into account in determining whether Executive has a Separation from Service as an employee for purposes of this Agreement.

(h) Specified Employee. A "key employee" of the Company who meets the requirements of Code Section 416(i)(1)(A)(i), (ii) or (iii) (applied in accordance with the Treasury Regulations thereunder and disregarding Code Section 416(i)(5)) at any time during the calendar year. If Executive is a key employee as of December 31 of a given calendar year, Executive is treated as a key employee for the entire twelve (12) month period beginning on the following April 1.

1.2 General Provisions. Singular and plural forms are interchangeable under this Agreement. Certain terms of more limited application have been defined in the sections to which they are principally applicable. The division of the Agreement into Articles and Sections with captions is for convenience only and is not to be taken as limiting or extending the meaning of any of its provisions.

ARTICLE 2

EMPLOYMENT

2.1 Employment Contract. Executive acknowledges that he has signed the Employment Agreement, which remains in full force and effect. This Agreement is a supplement to the Employment Agreement and does not supersede or modify the Employment Agreement.

2.2 Rights Preserved. Nothing in this Agreement shall be construed to confer upon Executive the right to continue in the employment of the Company, or to require the Company to continue the employment of Executive.

ARTICLE 3

DEFERRED COMPENSATION

3.1 Executive's Account. Solely for the purpose of measuring the amount of the Company's obligations to Executive or his Beneficiaries under this Agreement, the Company will maintain a separate bookkeeping record of Executive's Account that reflects the accumulated deferred payments and any hypothetical earnings or losses thereon in accordance with Sections 3.2 and 3.3 of this Agreement.

3.2 Deferred Payments. The Company agrees to credit to the Executive's Account an amount equal to fifteen percent (15%) of the Executive's Base Salary for the year. The amount credited to the Executive's Account, plus earnings, shall be paid to Executive as deferred compensation after Executive experiences a Separation from Service with the Company. Amounts will be credited to Executive's Account under this Section 3.2 at such times as the Executive receives the payment of his Base Salary. Amounts credited to the Executive's Account under this Section 3.2 are a bookkeeping entry only and shall not constitute a deferral of the Executive's Base Salary.

3.3 Investment Earnings. In addition to the amounts credited to the Executive's Account, within 30 days following the last day of each calendar year, the Company will credit to Executive's Account, as of the January 1 immediately following such calendar year end, a dollar amount equal to the hypothetical earnings or (subtract) losses based on the performance results of the hypothetical account(s) invested in one or more of the Investment Options pursuant to Executive's directions.

ARTICLE 4

VESTING

Amounts allocated under Section 3.2 and investment earnings credited to Executive's Account under Section 3.3 shall vest immediately upon allocation and crediting and shall be nonforfeitable at such time, subject, however, to the forfeiture provisions of Section 4.7 of the Employment Agreement.

ARTICLE 5

PAYMENT

5.1 Time and Form of Payment. At the time of execution of this Agreement, Executive shall make a one-time, irrevocable election (on Addendum 1 hereto), designating the form of payment for all amounts deferred under this Agreement. The accumulated amount credited to Executive's Account shall be paid or distributed, in cash, at the time(s) and in the form of payment as elected by Executive using the Distribution Election Form attached hereto as an Addendum 1. If the installment method is elected, at the time for each subsequent annual payment earnings or losses on the unpaid accumulated balance of Executive's Account, to be computed as provided for in Section 3.3 above, will be added to the annual payment.

5.2 Lump Sum Payment Election. If the lump sum payment option is elected, payment shall be made in cash to Executive on the first of January following the date on which the Separation from Service occurs (unless the "Specified Employee" rules apply).

5.3 Installment Payment Election. If the installment method is elected, the first annual installment payment will be made on the first of January following the date on which the Separation from

Service occurs (unless the "Specified Employee" rules apply). Annual payments for each succeeding year shall be paid to Executive on the first of January of each such year.

5.4 Delay of Distribution for Specified Employees. Notwithstanding any provision within this Article 5 or any election made by Executive, in the event that Executive is determined to be a Specified Employee, no benefits accrued (and investment earnings or losses thereon) under this Agreement may be paid until six months following the date upon which Executive experiences a Separation from Service. If Executive is determined to be a Specified Employee, the lump sum payment or first annual installment payment, as applicable, will be paid upon the later of (i) the first of January following the Separation from Service or (ii) the expiration of the six-month period following Separation from Service.

5.5 Delay of Distributions Due to Corporate Events. A distribution of benefits accrued (and investment earnings or losses thereon) otherwise payable in accordance with this Article 5 will be delayed to a date after the distribution date otherwise prescribed under this Article 5 if any of the following circumstances occurs:

(a) where the Company reasonably anticipates that the distribution of such benefits accrued will violate federal securities laws or other applicable law within the meaning of Code Section 409A and the regulations thereunder; provided, however, that such distribution will be made or commence at the earliest date at which the Company reasonably anticipates that the making of such distribution will not cause such violation; or

(b) upon such other events and conditions as the Commissioner of the Internal Revenue Service may prescribe in generally applicable guidance published in the Code.

5.6 Distributions Prior to Payment Date. The Company may make a distribution of benefits accrued earlier than Executive's distribution date prescribed under this Article 5:

(a) if this Agreement fails to meet the requirements of Code Section 409A and the regulations thereunder, but only to the extent that the amount of the distribution does not exceed the amount required to be included in Executive's income as a result of the failure to comply with the requirements of Code Section 409A and the regulations thereunder; or

(b) upon the termination of this Agreement in accordance with Treas. Reg. 1.409A-3(j)(4)(ix).

ARTICLE 6

MISCELLANEOUS PROVISIONS

6.1 Code Section 409A Compliance. This Agreement is intended to be operated in compliance with the provisions of Code Section 409A (including any rulings or regulations promulgated thereunder). In the event that any provision of this Agreement fails to satisfy the provisions of Code Section 409A, then such provision shall be construed in a manner so as to comply with the requirements of Code Section 409A and to preserve as closely as possible the intention of the Company in maintaining this Agreement. The Company expressly reserves the right to amend this Agreement, consistent with the prior sentence, to comply with Code Section 409A in the event it later determines that any provision herein causes this Agreement not to comply with Code Section 409A.

6.2 Funding. All benefits under this Agreement are unfunded and the Company shall not be required to establish any special or separate fund nor to make any other segregation of assets in order to assure the payment of any amounts under this Agreement. The right of Executive or his Beneficiary to receive a distribution hereunder shall be an unsecured claim against the general assets of the Company, and neither Executive nor his Beneficiary shall have any rights in or against any amounts credited under this Agreement or any other specific assets of the Company.

6.3 Anti-Assignment. No right or benefit under this Agreement shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance or charge; and any attempt to anticipate, alienate, sell, assign, pledge, encumber or charge the same shall be void. No right or benefit shall be liable for or subject to the debts, contracts, liabilities, or torts of the person entitled to such benefits. If Executive or any Beneficiary should become bankrupt or attempt to anticipate, alienate, sell, assign, pledge, encumber or charge any right to benefits under this Agreement, then those rights, in the discretion of the Company, shall cease. In this case, the Company may hold or apply the benefits at issue or any part thereof for the benefit of Executive or Executive's Beneficiary in such manner as the Committee may deem proper.

6.4 References to Code, Statutes and Regulations. Any and all references in this Agreement to any provision of the Code, ERISA, or any other statute, law, regulation, ruling or order shall be deemed to refer also to any successor statute, law, regulation, ruling or order.

6.5 Liability. The Company, and its directors, officers and employees, shall be free from liability, joint or several, for personal acts, omissions, and conduct, and for the acts, omissions and conduct of duly constituted agents, in the administration of this Agreement, except to the extent that the effects and consequences of such personal acts, omissions or conduct shall result from willful misconduct.

6.6 Governing Law. This Agreement is an unfunded deferred compensation plan for a select group of management or highly compensated employees, as defined in Sections 201(2) and 401(a)(1) of ERISA. As such, this Agreement is expressly excluded from all, or substantially all, of the provisions of ERISA, including but not limited to Parts 2 and 3 of Title I thereof. None of the statutory rights and protections conferred upon participants by ERISA are conferred under the terms of this Agreement, except as expressly noted or required by operation of law. To the extent not superseded by federal law, this Agreement shall be construed in accordance with and governed by the laws of the State of Nevada, county of Clark. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

6.7 Severability. In the event that any one or more of the provisions of this Agreement for any reason be held to be invalid, illegal, or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein, and there shall be deemed substituted such other provision as will most nearly accomplish the intent of the parties to the extent permitted by applicable law.

6.8 Taxes. The Company shall be entitled to withhold any taxes from any distribution hereunder as it believes necessary, appropriate, or required under relevant law.

(Remainder of this page intentionally left blank; signatures begin on the next page.)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth below.

PRECISION INDUSTRIES, INC.

By: /s/ Jon Isaac

Print Name: Jon Isaac

Title: President

Date: July 14, 2020

EXECUTIVE

Signature: /s/ Thomas Sedlak

Thomas Sedlak

Date: July 14, 2020

Exhibit 99.1

Live Ventures Acquires 72-Year Old Independent Steel Manufacturer Precision Marshall

Precision Marshall has been part of the Pittsburgh region's steel industry since 1948
and is a vital link in the nation's manufacturing supply chain

LAS VEGAS – July 15, 2020 - Live Ventures Incorporated (Nasdaq: LIVE), a diversified holding company, today announced the acquisition of Precision Industries, Inc., which does business as Precision Marshall, for approximately $31.5 million in cash. The Washington, Pennsylvania-based independent manufacturer of premium tool steels and specialty alloys was founded in 1948 and is a vital link in the nation's manufacturing supply chain. The company uses machine applications to transform raw steel into tool-and-die steels needed in the auto, appliance, aerospace and defense industries. Its reputation for quality products and reliable distribution is exemplified by its motto, "Value as Strong as Steel."

The acquisition of Precision Marshall is expected to increase Live Ventures' consolidated revenues by approximately $50 million per year.

Thomas Sedlak, who joined Precision Marshall in 2008 and has most recently served as Senior Vice President, has been elevated to Chief Executive Officer. All current employees are expected to be retained through the acquisition.

"We are delighted that Precision Marshall, a company that has thrived for more than 70 years, is joining the Live Ventures family," said Jon Isaac, President and CEO of Live Ventures. "Not only does Precision Marshall fit our strategy of acquiring profitable companies that have demonstrated a strong history of earnings power, they have the impressive history and talent we seek as well. Their comprehensive network of independent distributors impressively blankets the country."

Isaac noted that the acquisition also represents an excellent cultural fit. "Precision Marshall is a real home-town success story. Like all of our Live Ventures companies, Precision Marshall is rooted in the community where it contributes to the local economy and serves as a responsible corporate neighbor."

Precision Marshall was founded in the family garage in 1948 by Thomas R. Milhollan. Tom's son Jack Milhollan joined the company in 1973, became president and CEO, and guided the company to diversify products, invest in new technologies, and expand its distribution network. The company sells precision steel and alloy products exclusively through independent distributors. Throughout the years Jack, who is retiring, placed emphasis on building and retaining a dedicated, skilled workforce—the backbone of the company and key to its success.

Isaac paid tribute to the Milhollan family's leadership: "We congratulate Jack on all he has accomplished—the great company he guided—and we wish him happiness in the years ahead. We look forward to working with the Precision Marshall team as they grow their business and contribute to the success of Live Ventures."

Sedlak also praised the strategic rationale for the acquisition. "Live Ventures' diverse experience across industries, including its strength in manufacturing, makes it the perfect partner for this next stage of Precision Marshall. I look forward to leading this long-time business success story into the next decade and beyond."
For more information about Precision Marshall, please visit http://www.pmsteel.com.

About Live Ventures

Live Ventures Incorporated, originally incorporated in 1968, is a diversified holding company with several wholly owned subsidiaries and a strategic focus on acquiring profitable companies that have demonstrated a strong history of earnings power. Through its subsidiary Marquis Industries, the company manufactures and sells residential and commercial carpets primarily in North America. Marquis Industries also designs, sources and sells hard-surface flooring. Through its subsidiary Vintage Stock, an award-winning entertainment retailer, the company sells new and pre-owned movies, classic and current generation video games and systems, music on CD and LP, collectible comics, books, toys and more. Vintage Stock ships product worldwide directly to the customer's doorstep. Through its subsidiary Precision Industries, the company sells premium tool steels and specialty alloys. Through its subsidiary ApplianceSmart, the company sells new major household appliances in the United States through a company-owned retail store in Columbus, Ohio operating under the name ApplianceSmart®. All Live Ventures companies are rooted in their local communities where they contribute to the local economy and serve as responsible corporate neighbors.

Forward-Looking and Cautionary Statements

The use of the word "company" or "Company" refers to Live Ventures Incorporated and its wholly-owned subsidiaries. This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In accordance with the safe harbor provisions of this Act, statements contained herein that look forward in time that include everything other than historical information, involve risks and uncertainties that may affect the company's actual results. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Live Ventures may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the "SEC") on Forms 10-K and 10-Q, Current Reports on Form 8-K, in its annual report to stockholders, in press releases and other written materials, and in oral statements made by its officers, directors or employees to third parties. There can be no assurance that such statements will prove to be accurate and there are a number of important factors that could cause actual results to differ materially from those expressed in any forward-

looking statements made by the company, including, but not limited to, plans and objectives of management for future operations or products, the market acceptance or future success of our products, and our future financial performance. The company cautions that these forward-looking statements are further qualified by other factors including, but not limited to, those set forth in the company's Annual Report on Form 10-K for the fiscal year ended September 30, 2019 (available at http://www.sec.gov). Live Ventures undertakes no obligation to publicly update or revise any statements in this release, whether as a result of new information, future events, or otherwise.

Contact:

Live Ventures Incorporated
Tim Matula, Investor Relations
(425) 836-9035
tmatula@liveventures.com
http://liveventures.com

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