

(ix) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns;

(x) all references herein to \$ or dollar amounts will be to the lawful currency of the United States;

(xi) to the extent the term "day" or "days" is used, it means calendar days;

(xii) any reference in this Agreement to "the date hereof" shall refer to the date that this Agreement is executed.

(b) The parties hereto have participated jointly in the negotiation and drafting of this Agreement and the other Transaction Documents and, in the event an ambiguity or question of intent or interpretation arises, this Agreement and the other Transaction Documents shall be construed as jointly drafted by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement. Further, prior drafts of this Agreement or any other Transaction Documents or the fact that any clauses have been added, deleted or otherwise modified from any prior drafts of this Agreement or any other Transaction Documents hereto shall not be used as an aide of construction or otherwise constitute evidence of the intent of the parties hereto; and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of such prior drafts. The parties each hereby acknowledge that this Agreement embodies the justifiable expectations of sophisticated parties derived from arm's-length negotiations, and all 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.

ARTICLE II

FUNDING AMOUNTS; PROCEDURE; REVENUE PAYMENTS

2.1 *Funding Amounts; Procedure.*

(a) Initial Funding Amount. Subject to the terms and conditions set forth in the Loan Documents, on the Initial Closing Date, the Investor shall provide the Company an amount equal to \$175,000 (the "Initial Funding Amount"). Concurrently with the Company's receipt of the Initial Funding Amount, the Company shall repay in full all amounts outstanding under the Promissory Note (the "Bridge Loan Payment"). Upon receipt of the Bridge Loan Payment by the Investor, (i) the Company and the Investor hereby agree that the Loan Documents shall be terminated and of no further force or effect, and (ii) the Investor hereby acknowledges and agrees to forfeit its right under the Loan Documents to exercise its warrant for 5% of the outstanding stock of the Company.

(b) Additional Funding Amounts. Subject to the terms and conditions set forth herein, additional funding amounts may be provided by the Investor to the Company or made available for the benefit of the Company (each date on which any additional funding amounts are provided, an "Additional Funding Date"), upon the achievement of certain milestones (such additional funding amount provided by the Investor, together with the Initial Funding Amount,

the "**Total Funding Amount**") as contained in that certain Funding Schedule attached hereto as **Exhibit B** (the "**Funding Schedule**").

(c) **Maximum Funding Amount.** The maximum funding amount that may be provided by the Investor to the Company shall be \$1,000,000 (or such higher amount as determined in accordance with this **Section 2.1(c)**, the "**Maximum Funding Amount**"), unless the Investor determines, in its sole discretion, to increase such amount as a result of the Company's financial performance.

(d) **Funding Amount Procedure.** All funding amounts to be paid by the Investor shall be made in accordance with the Funding Schedule, and such amounts shall be paid by wire transfer of immediately available funds to the account(s) designated by the Company.

(e) **Use of Proceeds.** The proceeds of the Total Funding Amount shall be used by the Company exclusively in accordance with that certain Liquidity Schedule attached hereto as **Exhibit C** (the "**Liquidity Schedule**"). No amendments shall be made to the Liquidity Schedule, except in the event that the Project Manager recommends any such amendment to the Liquidity Schedule as necessary or advisable, and the Investor approves in writing such recommended amendment.

(f) **Minimum Plan Performance Threshold.** The Company's projected Gross Revenues over the full Term shall be equal to or greater than 1.75 times the Total Funding Amount as of the date of determination (the "**Minimum Plan Performance Threshold**"). Determination of whether the Minimum Plan Performance Threshold has been met shall be based on the financial books and records of the Company that are provided by the Company to the Project Manager pursuant to **Section 5.1** as compared to the Financial Projections. During the Revenue Payment Period, there shall be no obligation of the Investor to provide additional funding above the Initial Funding Amount in the event that the Company's projected Gross Revenues over the full Term do not meet or exceed the Minimum Plan Performance Threshold.

2.2 Project Manager.

(a) **Appointment of Project Manager.** The Investor hereby appoints Tracy Alexander as a full-time project manager who shall provide consulting to the Investor and the Company regarding the direction and progress of the business of the Company (the "**Project Manager**") and who shall report directly to, and represent the interests of, the Investor. From time to time, the Investor may remove the current Project Manager and designate a new Project Manager to the Company.

(b) **Duties.** The duties of the Project Manager shall include attending weekly meetings with the Company and the Investor, providing updates on the progress of the business of the Company to the Investor, and monitoring, tracking and providing updates in connection with the Company's Gross Revenues (the "**Project Manager Duties**"). The Project Manager will monitor the Company's financial performance and provide information regarding such performance to the Investor for purposes of determining whether the milestones set forth in the Funding Schedule have been met. For the avoidance of doubt, (i) any discussions in connection with the funding by the Investor to the Company or the overall management of such arrangement

shall be between the Company and the Investor, and not between the Company and the Project Manager and (ii) any questions regarding the details of the funding by the Investor to the Company shall be directed to the Investor, and not the Project Manager, provided, however, that the Company may direct any requests for amendments to the Liquidity Schedule to the Project Manager. The Company agrees to cooperate and take such further actions as may be reasonably requested by the Project Manager in order to facilitate the performance by the Project Manager of his or her duties.

(c) Project Manager Fees. The costs and expenses of the Project Manager shall be paid by the Investor directly to the Project Manager.

2.3 *Payments to the Investor*. Beginning ninety (90) days from the Initial Closing Date, or as otherwise agreed upon by the Company and the Investor, until the expiration of the Term (the "Revenue Payment Period"), the Company shall pay directly to the Investor on each Monthly Payment Date an amount equal to 10.00% of the Gross Revenues (each, a "Revenue Payment") for each day during the period following any prior Revenue Payment through the day immediately preceding the then current Monthly Payment Date (except that in the case of the first Monthly Payment Date, the Revenue Payment shall only be calculated from the first day of the Revenue Payment Period); provided, however, that in the event that the aggregate amount of total Revenue Payments actually paid to the Investor prior to the Maturity Date does not equal three (3) times the Total Funding Amount, on the Maturity Date, the Company shall pay the Investor as a final Revenue Payment an amount equal to the difference between (a) three (3) times the Total Funding Amount and (b) the aggregate amount of total Revenue Payments actually paid to the Investor prior to the Maturity Date.

2.4 *Company Credit for Revenue Payments*. Any Default Payment pursuant to Section 7.2 or any Change of Control Payment pursuant to Section 7.3 paid by the Company to the Investor shall be net of the Revenue Payments actually paid to the Investor prior to the date of such Default Payment or Change of Control Payment.

2.5 *Withholding Taxes*. The Company shall make each payment due to the Investor hereunder free and clear of, and without deduction or withholding, for or on account of any Taxes, except as otherwise required by Law after consultation with the Investor. In the event the Company is required by Law to deduct or withhold any Tax from a payment otherwise due to the Investor hereunder, the Company will notify the Investor and cooperate in good faith to eliminate or reduce any such requirement and, after doing so, will make such deduction or withholding required by Law, pay the amount deducted or withheld to the applicable Governmental Authority and make such additional payments to the Investor as may be necessary to ensure that the Investor receives and retains (free and clear of any such deduction or withholding) the amount otherwise required to be paid hereunder.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Investor as of the Initial Closing Date and as of each Additional Funding Date the following:

3.1 *Organization.* The Company is a corporation duly organized, validly existing and in good standing under the Laws of the State of Texas, is authorized to do business in the State of Texas, and has all corporate powers and all licenses, authorizations, consents and approvals required to carry on its businesses as now conducted and as proposed to be conducted in connection with the Transactions. The copies of the certificate of formation, the bylaws and similar organizational documents of the Company as provided to the Investor are true, accurate and complete in all respects and reflect all amendments made through the date of this Agreement.

3.2 *Corporate Authorization.* The Company has all necessary power and authority to enter into, execute and deliver the Company Documents to perform all of the obligations to be performed by it thereunder and to consummate the Transactions. The Company Documents have been duly authorized, executed and delivered by the Company and the Company Documents constitute the valid and binding obligation of the Company, enforceable against the Company in accordance with their respective terms subject, as to enforcement of remedies, to bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally or general equitable principles.

3.3 *Governmental Authorization.* The execution and delivery by the Company of the Company Documents, and the performance by the Company of its obligations thereunder, do not require any notice to, action or consent by, or in respect of, or filing with, any Government Authority.

3.4 *Ownership.* The Company has not transferred, sold or otherwise disposed of or encumbered, or agreed to transfer, sell or otherwise dispose of or encumber, any portion of its Gross Revenues other than pursuant to this Agreement.

3.5 *Financial Projections.* The Financial Projections of the Company have been furnished to the Investor and the Financial Projections have been prepared in good faith based on assumptions believed to be reasonable at the time of preparation thereof. There are no statements or conclusions in any of the Financial Projections which are based upon or include information known to be misleading in any material respect or which fail to take into account material information regarding the matters reported therein. The Company believes that the Financial Projections are reasonable and attainable; it being recognized, however, that projections as to future events are not viewed as facts and that the actual results during the period or periods covered by the Financial Projections could differ from the projected results and such differences could be material.

3.6 *Solvency.* Assuming consummation of the Transactions, (a) the present fair saleable value of the Company's assets is greater than the amount required to pay its debts as

they become due (other than debts or liabilities incurred pursuant to the Company Documents) and (b) the Company has not incurred, and has no present plans to incur, debts or liabilities (other than debts or liabilities incurred pursuant to the Company Documents) beyond its ability to pay such debts or liabilities as they become absolute and matured.

3.7 Litigation. There is no (a) action, suit, arbitration proceeding, claim, investigation or other proceeding pending or, to the Knowledge of the Company, threatened against the Company, (b) governmental inquiry pending or, to the Knowledge of the Company, threatened against the Company, in each case with respect to clauses (a) and (b) above, which, if adversely determined, would question the validity of, or could materially and adversely affect or prevent the consummation of, the Transactions or would reasonably be expected to have a Material Adverse Effect.

3.8 Compliance with Laws. The Company (a) is not in violation of, or to the Knowledge of the Company, is not under investigation with respect to, and, (b) to the Knowledge of the Company, has not been threatened to be charged with or been given notice of any actual or alleged violation of, with respect to clauses (a) and (b) above, any Law or decree entered by any Government Authority applicable to the Company or its Gross Revenues which would reasonably be expected to have a Material Adverse Effect.

3.9 Conflicts.

(a) Neither the execution and delivery of the Company Documents nor the performance or consummation of the Transactions will: (1) contravene, conflict with, result in a breach or violation of, constitute a default under, or accelerate the performance provided by, in any material respect, any provisions of: (A) any Law of any Government Authority, or any Order of any Government Authority, to which the Company or any of its assets or properties may be subject or bound, or (B) any contract, agreement, commitment or instrument to which the Company is a party or by which any of its assets or properties is bound or committed; (2) contravene, conflict with, result in a breach or violation of, constitute a default under, or accelerate the performance provided by, in any respect, any provisions of the certificate of formation or the bylaws (or other organizational or constitutional documents) of the Company; (3) require any notification to, filing with, or consent of any Person or Government Authority; (4) give rise to any right of termination, cancellation or acceleration of any right or obligation of the Company; (5) constitute a breach of or default under any Material Contract or give rise to any right of termination, cancellation or acceleration of any right or obligation of the Company or any other Person or to a loss of any benefit relating to the Aggregate Payment Amount; or (6) result in the creation or imposition of any Lien on the assets or properties of the Company.

(b) The Company has not granted, nor does there exist, any Lien on the Gross Revenues or any of the property or assets of the Company other than Permitted Liens.

3.10 Material Contracts. Schedule 3.10 sets forth a list of all Contracts, including all amendments and supplements thereto, to which the Company is a party or bound (collectively referred to herein as the "Material Contracts"). The Company is not in breach of or in default under any Material Contract, which breach or default, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect. To the Knowledge of the

Company, nothing has occurred and no condition exists that would permit any other party thereto to terminate any Material Contract. The Company has not received any notice or, to the Knowledge of the Company, any threat of termination of any Material Contract. To the Knowledge of the Company, no other party to a Material Contract is in material breach of or in material default under such Material Contract. All Material Contracts are valid and binding on the Company and, to the Knowledge of the Company, on each other party thereto, and are in full force and effect.

3.11 *Subordination.* The claims and rights of the Investor created by the Investor Documents, including, without limitation, rights in and to the Aggregate Payment Amount, are not subordinated to any obligation of the Company, including the current and future Indebtedness of the Company, any other creditor of the Company or any other Person.

3.12 *Place of Business.* The Company's principal place of business and chief executive office are set forth on Schedule 3.12.

3.13 *Broker's Fees.* The Company has not taken any action which would entitle any Person to any commission or broker's fee in connection with the Transactions.

3.14 *Investment Company Status.* The Company is not required to register as an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

3.15 *Taxes.* The Company has timely filed or caused to be filed all federal, state and other material Tax returns and reports required to have been filed by or with respect to it and has paid or caused to be paid all material Taxes required to have been paid by or with respect to it. The Company has satisfied all withholding Tax obligations with respect to payments due to any employee, member or other Person. The Company is not presently under audit or examination with respect to Taxes, and no written claim has been made that the Company is liable for additional Taxes in any jurisdiction. There are no Liens on any of the Company's assets relating to Taxes, other than Taxes that are not yet due or that may be paid without interest or penalty. The Company is presently, and has been since its organization, treated as either a partnership or disregarded as an entity separate from its owner for federal income tax purposes and has never been treated as a corporation for such purposes.

3.16 *ERISA and Labor Relations.* The Company has no employees and does not maintain or have an obligation to contribute to or have any liability with respect to and has never maintained, had an obligation to contribute to or had any liability with respect to any Plan or Multiemployer Plan. There are no strikes, lockouts or slowdowns against the Company or, to the Knowledge of the Company, threatened.

3.17 *Properties.*

(a) The Company has valid title to, or a valid leasehold interest in (or other right to use), all of the tangible personal property, free and clear of all Liens, except for Permitted Liens, used in the conduct of the business and the operations of the Company as currently conducted.

(b) The Company does not own any real property.¹

(c) The Company has a good, marketable and insurable leasehold interest in the real property demised by the lease(s) described on Schedule 3.17(c), which constitute all of real property leased by the Company and used in the conduct of the business and operations of the Company as currently conducted (the "Company Leases"). The Company Leases are valid and enforceable in accordance with their terms and are in full force and effect, subject to applicable bankruptcy, insolvency and similar Laws affecting creditors' rights and remedies generally and to general principles of equity, whether applied a court of law or a court of equity.

(d) The Company owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to the operation of the business of the Company currently conducted, and the use thereof by the Company does not infringe in any material respect upon the rights of any other Person, and the Company's rights thereto are not subject to any licensing agreement or similar arrangement in favor of a Third Party. The Company is not required to pay any royalties with respect to intellectual property.

3.18 *Subsidiaries; Business.* The Company has no Subsidiaries. The Company has not conducted any business other than the business contemplated by the Company Documents and the Material Contracts and matters reasonably related thereto.

3.19 *Intellectual Property.* The Company owns, or is licensed to use, all Intellectual Property necessary to conduct its business as currently conducted. All Material Intellectual Property owned by the Company is valid, subsisting, unexpired and enforceable, and no Material Intellectual Property has been abandoned. No breach or default of any material IP License shall be caused by any of the following, and none of the following shall limit or impair the ownership, use, validity or enforceability of, or any rights of the Company in any Material Intellectual Property: (a) the consummation of the Transactions or (b) any holding, decision, judgment or order rendered by any Governmental Authority. To the Knowledge of the Company, the conduct and operations of the business of the Company do not infringe, misappropriate, dilute, violate or otherwise impair any Intellectual Property owned by any other Person. There are no pending (or, to the Knowledge of the Company, threatened) actions, investigations, suits, proceedings, audits, claims, demands, orders or disputes challenging the ownership, use, validity, enforceability of, or the Company's rights in, any material Intellectual Property. To the Company's Knowledge, no Person has been or is infringing, misappropriating, diluting, violating or otherwise impairing any Intellectual Property of the Company. The Company, and to the Company's Knowledge each other party thereto, is not in material breach or default of any material IP License.

3.20 *Indebtedness; Liens.* The Company has not incurred any Indebtedness other than the Indebtedness set forth on Schedule 3.20.

3.21 *Affiliate Transactions.* The Company is not a party to any agreement or arrangement with any Affiliate.

¹ NOTE TO THE COMPANY: Please confirm that the Company owns no real property. Confirmed JN

3.22 *Tax Analysis by the Company.* The Company acknowledges and agrees that the Company is not relying on any tax advice or analysis provided by the Investor or any representative of the Investor, and that it has made its own inquiry, analysis, and investigation into, and, based thereon, has formed an independent judgment concerning, the tax consequences of this Agreement to the Company.

3.23 *No Other Representations and Warranties.* Other than the specific representations and warranties expressly set forth Article IV, the Company specifically disclaims that they are relying upon or have relied upon any such other representations or warranties that may have been made by any Person, and acknowledges and agrees that the Investor has specifically disclaimed and does hereby specifically disclaim any such other representation or warranty made by any Person. The Company specifically disclaims any obligation or duty by the Investor to make any disclosures of fact not required to be disclosed pursuant to the specific representations and warranties expressly set forth in Article IV.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

The Investor hereby represents and warrants to the Company as of the Initial Closing Date and as of each Additional Funding Date the following:

4.1 *Organization.* The Investor is duly formed, validly existing and in good standing under the Laws of the State of Texas, is authorized to do business in the State of Texas, and has all limited liability company powers and all licenses, authorizations, consents and approvals required to carry on its business as now conducted and as proposed to be conducted regarding the Transactions.

4.2 *Corporate Authorization.* The Investor has all necessary power and authority to enter into, execute and deliver the Investor Documents to perform all of the obligations to be performed by it thereunder and to consummate the Transactions. The Investor Documents have been duly authorized, executed and delivered by the Investor and the Investor Documents constitute the valid and binding obligation of the Investor, enforceable against the Investor in accordance with their respective terms subject, as to enforcement of remedies, to bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally or general equitable principles.

4.3 *Governmental Authorization.* The execution and delivery by the Investor of the Investor Documents, and the performance by the Investor of its obligations thereunder, do not require any notice to, action or consent by, or in respect of, or filing with, any Government Authority.

4.4 *Broker's Fees.* The Investor has not taken any action which would entitle any Person to any commission or broker's fee in connection with the Transactions.

4.5 *Conflicts.* Neither the execution and delivery of the Investor Documents nor the performance or consummation of the Transactions will: (1) contravene, conflict with, result in a breach or violation of, or constitute a default under, in any material respects, any provisions of:

(A) any Law of any Government Authority, or any judgment, writ, decree, permit or license of any Government Authority, to which the Investor or any of its assets or properties may be subject or bound, or (B) any material contract, agreement, commitment or instrument to which the Investor is a party or by which the Investor or any of its assets or properties is bound or committed; (2) contravene, conflict with, result in a breach or violation of or constitute a default under, or accelerate the performance provided by, in any respect, any provisions of the organizational or constitutional documents of the Investor; (3) require any notification to, filing with, or consent of any Person or Government Authority; or (4) give rise to any right of termination, cancellation or acceleration of any right or obligation of the Investor which would reasonably be expected to have a material adverse effect on the Investor's ability to perform its obligations pursuant to the Investor Documents.

4.6 *Financing.* The Investor has sufficient cash, available lines of credit or other sources of immediately available funds to enable it to pay any additional funding amounts on each Additional Funding Date, up to the Maximum Funding Amount.

4.7 *Litigation.* There is no (a) action, suit, arbitration proceeding, claim, investigation or other proceeding pending or, to the Knowledge of the Investor, threatened against the Investor or any of its directors, officers or senior managers or (b) governmental inquiry pending or, to the Knowledge of the Investor, threatened against the Investor, or any of its directors, officers or senior managers, in each case with respect to clauses (a) and (b) above, which, if adversely determined would question the validity of, or could materially and adversely affect or prevent the consummation of, the Transactions or would reasonably be expected to have a material adverse effect on the Investor's ability to perform its obligations pursuant to the Investor Documents.

ARTICLE V

COVENANTS AND ADDITIONAL AGREEMENTS

The Company and the Investor shall comply with the following covenants and additional agreements during the Term and until the Company has complied with all payment obligations hereunder:

5.1 *Access; Books and Records; Inspection.*

(a) The Company shall keep and maintain, or cause to be kept and maintained, at all times accurate and complete books and records, as well as full and accurate books of account and records adequate to correctly reflect all payments paid and/or payable with respect to the Aggregate Payment Amount.

(b) The Company shall permit the Investor, its representatives and the Project Manager from time to time, to visit the Company's offices and properties for purposes of (i) conducting an audit of the Company's books and records, and to inspect, copy and audit such books and records, during normal business hours, and, upon five (5) Business Days written notice given by the Investor to the Company, the Company will provide the Investor, its representatives and the Project Manager reasonable access to such books and records, and shall permit the Investor, its representatives and the Project Manager to discuss the business,

operations, properties and financial and other condition of the Company with officers of the Company, and with its independent certified public accountants (to the extent such independent certified accountants agree to discuss such matters with the Investor, their representatives and the Project Manager).

5.2 Observer Rights. The Investor shall designate one (1) observer (the "**Observer**") to the board of directors meetings (or meetings of any other applicable governing body of the Company). In the event that an authorization for Company action is done by written consent instead of a meeting, the Observer shall have the right to review such written consent for a period of at least forty-eight (48) hours prior to its execution. The Company shall pay for or reimburse any reasonable out-of-pocket fees and expenses occurred by such Observer in his or her capacity as an Observer to the same extent and up to the same amount that the Company pays or reimburses such fees and expenses for any other board member of the Company.

5.3 Key Person Life Insurance. The Investor shall purchase and maintain a key person life insurance policy in the amount of the Maximum Funding Amount designating James Nalley as the key person and naming the Investor as the beneficiary of the policy. James Nalley consents to the Investor's purchase of such policy and agrees to cooperate and take such further actions as may be reasonably requested by the Investor or as required by the life insurance company in order to establish and maintain such policy.

5.4 Compliance with Laws and Material Contracts; Amendments.

(a) The Company shall comply in all material respects with all Laws applicable to it or its property. The Company shall comply in all material respects with all of its obligations under the Material Contracts and shall seek to enforce its rights pursuant to the Material Contracts. Without the Investor's consent (which shall not be unreasonably withheld, conditioned or delayed), the Company shall not agree to the amendment, modification or termination of any Material Contract if such amendment, modification or termination could reasonably be expected to have a Material Adverse Effect.

(b) The Company will not amend, modify or waive any of its rights under its certificate of formation, bylaws or any other of its organizational documents in a manner which could reasonably be expected to have a Material Adverse Effect.

5.5 Permitted Liens. The Company will not create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it except Permitted Liens.

5.6 Further Assurance. Subject to the terms and conditions of this Agreement, the Company will take, or cause to be taken, all actions and do, or cause to be done, all things reasonable and necessary under applicable Laws and regulations to (a) consummate the Transactions and (b) to facilitate the transfer or pledge of the Investor's interests under this Agreement (or the interest of any successor, assign or other subsequent party in interest). The Company agrees to execute and deliver such other documents, agreements and other writings and to take such other actions as may be reasonably necessary in order to consummate, carry out the terms and conditions of, or implement expeditiously the Transactions.

5.7 *Indebtedness.* The Company shall not incur any Indebtedness other than Permitted Indebtedness. As used herein, "Permitted Indebtedness" means unsecured Indebtedness in an aggregate principal amount not exceeding \$50,000 at any given time.

5.8 *Restricted Payments.* The Company shall not pay a dividend or a distribution to its equityholders if any Aggregate Payment Amount is due and payable and has not been paid.

5.9 *Investments.* The Company will not purchase, hold or acquire any evidence of Indebtedness or equity interest of, make any loans or advances to, guarantee any obligations of, or make any investment in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit (whether through purchase of assets, merger or otherwise). The Company will not form or acquire any Subsidiaries, or any interest in a joint venture.

5.10 *Existence; Conduct of Business.*

(a) The Company will not merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve.

(b) The Company will do or cause to be done all things reasonably necessary to preserve, renew and keep in full force and effect its legal existence and the rights, qualifications, franchises, government approvals, intellectual property rights, licenses and permits material to the conduct of its business, and to maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, to the extent that failure to do so would cause a Material Adverse Effect.

5.11 *Payment of Obligations.* The Company will pay or discharge all Taxes and all other material Indebtedness, liabilities and obligations before the same shall become delinquent or in default, except where (i) the validity or amount thereof is being contested in good faith by appropriate proceedings, (ii) the Company has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (iii) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect; provided, however, the Company will remit all material Taxes to appropriate Government Authorities as and when claimed to be due, notwithstanding the foregoing exceptions.

5.12 *Non-Solicitation.* During the Term of this Agreement and for a period of one (1) year from the expiration of the Term, the Company shall not and shall cause each of its respective directors, managers, partners, members, officers, employees and Affiliates (collectively, the "Company Related Persons") not to, directly or indirectly, on its behalf or on behalf of any other Person, employ or hire or solicit or divert any employee or independent contractor of the Investor that the Company comes in contact with, or becomes aware of, in connection with the Transactions; provided, that the Company Related Persons may engage in general solicitations of employment not specifically directed at such employees or independent contractors and employ or hire individuals who respond to non-targeted solicitations or who approach the Company Related Persons on his or her own for employment.

5.13 *Subordination.* The claims and rights of the Investor created by the Investor Documents, including, without limitation, rights in and to the Aggregate Payment Amount, shall

constitute a senior obligation and shall not be subordinated to any obligation of the Company, including the current and future Indebtedness of the Company, any other creditor of the Company or any other Person.

5.14 Security Interest.

(a) The Company hereby pledges, collaterally assigns, mortgages, transfers and grants to the Investor, its successors and assigns, to secure the payment and performance in full of all the Obligations, a continuing security interest in the Collateral, whether now owned by or owing to, or hereafter acquired by or arising in favor of the Company, and regardless of where located. If this Agreement is terminated, the Investor's Lien on the Collateral shall continue until the Obligations (other than contingent indemnity obligations for which a claim has not been asserted) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than contingent indemnity obligations for which a claim has not been asserted), the Investor shall, at the Company's sole cost and expense, release its Liens on the Collateral and all rights therein shall revert to the Company.

(b) The Company authorizes the Investor to file UCC financing statements in all appropriate jurisdictions to perfect or protect the Investor's interest or rights hereunder.

ARTICLE VI

CLOSING AND CONDITIONS TO CLOSING

6.1 *Closing Date.* Subject to the closing conditions set forth in this Article VI, the closings of the Transactions contemplated by this Agreement (each, a "Closing") will take place remotely via the electronic exchange of documents and signatures (i) on the date hereof (the "Initial Closing Date") and (ii) with respect to additional funding amounts, each on an Additional Funding Date. If all conditions are determined to be satisfied (or any of such conditions are duly waived by the party benefited by such condition) at each Closing (whether or not delayed), each Closing shall be consummated.

6.2 *Conditions to the Obligations of the Investor.* The obligations of the Investor to effect each Closing and the payment of any additional funding amount shall be subject to the satisfaction of each of the following conditions, any of which may be waived by the Investor in its sole discretion:

(a) *Accuracy of Representations and Warranties and Compliance with Obligations.* The representations and warranties of the Company set forth in this Agreement and the other Company Documents shall be true, correct and complete in all material respects both on the Initial Closing Date and as of each Additional Funding Date (with the same force and effect as if such representations and warranties were made anew at and as of each Additional Funding Date, except to the extent that any such representations or warranties which by their terms are made as of a specified date, in which case such representations or warranties shall have been true, correct and complete in all material respects as of such specified date). The Company shall have performed and complied in all material respects with all covenants, obligations and agreements

required in this Agreement and each other Company Document to be performed or complied with by it on or prior to the Initial Closing Date and each Additional Funding Date.

(b) *No Adverse Circumstances.* There shall not have occurred or be continuing any event or circumstance which would reasonably be expected to have a Material Adverse Effect.

(c) *Laws.* There shall not be in effect on the Initial Closing Date or on any Additional Funding Date any final or non-appealable Law permanently enjoining or otherwise prohibiting or making illegal the consummation of the Transactions.

(d) *Officer's Certificates.* The Investor shall have received at or prior to the Closing (i) a duly executed certificate from an authorized officer of the Company and not in his or her individual capacity pursuant to which such officer certifies that the conditions set forth in Section 6.2(a) have been satisfied in all respects as of the Initial Closing Date or Additional Funding Date, as applicable.

(e) *Company Documents.* This Agreement and the other Company Documents required to be in place as of the Initial Closing Date shall have been duly executed and delivered by all the parties thereto and shall be in form reasonably satisfactory to such parties.

6.3 *Conditions to the Obligations of the Company.* The obligations of the Company to effect each Closing shall be subject to the satisfaction of each of the following conditions, any of which may be waived by the Company in its sole discretion:

(a) *Accuracy of Representations and Warranties and Compliance with Obligations.* The representations and warranties of the Investor set forth in this Agreement and the other Investor Documents shall be true, correct and complete in all material respects both on the Initial Closing Date and as of each Additional Funding Date (with the same force and effect as if such representations and warranties were made anew at and as of each Additional Funding Date, except to the extent that any such representations or warranties which by their terms are made as of a specified date, in which case such representations or warranties shall have been true, correct and complete in all material respects as of such specified date). The Investor shall have performed and complied in all material respects with all covenants, obligations and agreements required in this Agreement and each other Investor Document to be performed or complied with by the Investor on or prior to the Initial Closing Date and each Additional Funding Date.

(b) *Laws.* There shall not be in effect on the Initial Closing Date or on any Additional Funding Date any final or non-appealable Law permanently enjoining or otherwise prohibiting or making illegal the consummation of the Transactions.

(c) *Officer's Certificates.* The Company shall have received at or prior to the Closing (i) a duly executed certificate from an authorized officer of the Investor and not in his or her individual capacity pursuant to which such officer certifies that the conditions set forth in Sections 6.3(a) have been satisfied in all respects as of the Initial Closing Date or Additional Funding Date, as applicable, and (ii) a complete and duly executed IRS Form W-9 on behalf of the Investor.

(d) *Investor Documents.* This Agreement and the other Investor Documents required to be in place as of the Initial Closing Date shall have been duly executed and delivered by all the parties thereto and shall be in form reasonably satisfactory to the parties.

(e) *Payment of the Additional Funding Amounts.* The additional funding amount, as applicable, due at such Closing shall have been tendered by the Investor to the Company by wire transfer of immediately available funds to the account(s) identified to the Investor on or prior to the Closing.

ARTICLE VII

TERMINATION

7.1 *Company Event of Default.* A "Company Event of Default" shall occur upon any of the following events:

(a) the Company's financial performance falls below the Minimum Plan Performance Threshold during the Revenue Payment Period;

(b) any representation, warranty or certification made by the Company in writing pursuant to the Company Documents shall be inaccurate in any material respect as of the date as on which it was made or deemed made and such inaccuracy could reasonably be expected to result in a Material Adverse Effect;

(c) the failure of the Company to observe or perform any term, covenant, condition or agreement contained in the Company Documents (including, but not limited to, the failure of the Company to pay any Aggregate Payment Amount to the Investor when due), which such failure, if capable of cure, has not been cured within ten (10) days after written notice thereof has been provided to the Company from the Investor.

(d) a Bankruptcy Event shall have occurred; or

(e) the (i) death, or (ii) the permanent disability of James Nalley.

7.2 *Effect of a Company Event of Default.*

(a) In the event of a Company Event of Default, the Investor (i) may decide to cease to provide any additional funding amounts called for by the Funding Schedule, (ii) without notice of default or demand, may exercise all rights and remedies available to the Investor under this Agreement or at law or equity, including all remedies provided under the UCC, and (iii) shall have the right, but not the obligation, to terminate this Agreement.

(b) If the Investor shall decide to terminate this Agreement and the Company Event of Default has occurred in accordance with:

(i) Sections 7.1(b) and 7.1(c), the Company shall pay to the Investor three (3) times the Total Funding Amount as of the date of such termination; or

(ii) Sections 7.1(d) and 7.1(e)(ii), the Company shall pay to the Investor 1.75 times the Total Funding Amount as of the date of such termination (any payment pursuant to the foregoing clauses (i) or (ii) of this Section 7.2(b), a "Default Payment").

7.3 Change of Control. In the event of a Change of Control of the Company prior to the expiration of the Term (the "Change of Control Transaction"), on the date of the Change of Control Transaction, the Company shall pay to the Investor an amount equal to ten (10) times the Total Funding Amount (such exit payment amount, the "Change of Control Payment"). Upon the payment in full of the Change of Control Payment, this Agreement shall terminate subject to Section 7.5.

7.4 Change of Control Tail Period. In the event that any Change of Control Transaction occurs within twelve (12) months of the expiration of the Term, the Company shall pay to the Investor, on the date of such Change of Control Transaction, the Change of Control Payment that would have been payable on the date of the Change of Control Transaction as set forth in Section 7.3. Any such payment made by the Company to the Investor pursuant to this Section 7.4 shall be net of (a) the Revenue Payments and (b) any Default Payment, in the case of each of the foregoing clauses (a) and (b), actually paid to the Investor prior to the date of the Change of Control Payment.

7.5 Effect of Termination. In the event of the termination of this Agreement pursuant to Article VII, this Agreement shall forthwith become void and have no effect without any liability on the part of any party hereto or its Affiliates, directors, officers, members or stockholders; provided that, notwithstanding the foregoing, (a) no such termination shall relieve any party hereto of any liability for damages to the other party hereto resulting from any breach of this Agreement prior to such termination and (b) the provisions of Section 5.12 (Non-Solicitation), this Section 7.5 (Effect of Termination) and Article VIII (Miscellaneous) of this Agreement will survive any termination of this Agreement.

ARTICLE VIII

MISCELLANEOUS

8.1 Survival. All covenants, agreements, representations and warranties made herein and in any other Transaction Document, any certificates or any other writing delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and each Closing and shall remain in effect until the expiration of the Term; provided, that, notwithstanding anything in this Agreement or implied by Law to the contrary, all representations and warranties shall expire on the third anniversary of the final Closing.

8.2 Specific Performance. Each of the parties hereto acknowledges that the other party will have no adequate remedy at law if it fails to perform any of its obligations under this Agreement or any of the other Transaction Documents. Accordingly, the parties agree that such non-breaching party shall have the right, in addition to any other rights and remedies existing in their favor at law or in equity, to enforce its rights and the other party's obligations hereunder not only by an action or actions for damages but also by an action or actions for specific performance, injunctive and/or other equitable relief (without posting of bond or other security).

8.3 *Notices.* All notices, consents, waivers and communications hereunder given by any party to the other shall be in writing (including facsimile or email transmission) and delivered personally, by facsimile with confirmation of delivery, by email with non-automated confirmation of receipt, by a recognized overnight courier, or by dispatching the same by certified or registered mail, return receipt requested, with postage prepaid, in each case addressed:

if to the Company, to:

WHRZT, Inc.
3801 Park Wood Drive
Corinth, Texas 76208
Attention: James Nalley
Facsimile: [FAX NUMBER]
E-mail address: jnalley@WHRZT.com

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

WHRZT

14665 Midway Rd
Suite 220
Attention: **Jim Nalley**
Facsimile:
E-mail address: jnalley@whrzt.com

if to Investor, to:

Optimal Economics Capital Partners LLC
2101 Cedar Springs Road, Suite 1050
Dallas, Texas 75201
Attention: Patrick Howard
Facsimile: [FAX NUMBER]
E-mail address: p.howard@optimaleconomics.net

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

Sidley Austin LLP
2001 Ross Avenue, Suite 3600
Dallas, Texas 75201
Attention: Sara G. Duran
Facsimile: (214) 981-3400
E-mail address: sduran@sidley.com

if or to such other address or addresses as the Company or the Investor may from time to time designate by notice as provided herein, except that notices of changes of address shall be effective only upon receipt. All such notices, consents, waivers and communications shall: (a) when posted by certified or registered mail, postage prepaid, return receipt requested, be

effective three (3) Business Days after dispatch, (b) when facsimiled or emailed, be effective as of (1) the date of transmission, if such notice or communication is delivered via facsimile or email at the facsimile number or email address specified in this Section 8.3 prior to 5:00 p.m. (Dallas, Texas time) on a Business Day, or (2) the next Business Day after the date of transmission, if such notice or communication is delivered via facsimile or email at the facsimile number or email address specified in this Section 8.3 on a day that is not a Business Day or later than 5:00 p.m. (Dallas, Texas time) on any Business Day, or (c) when delivered by a recognized overnight courier or in person, be effective upon receipt when hand delivered.

8.4 Successors and Assigns. The provisions of this Agreement shall be binding upon the parties hereto and their successors and assigns and inure to the benefit of the parties hereto and their respective successors and permitted assigns. The Company shall not be entitled to assign any of its obligations and rights hereunder or under any other Company Documents without the prior written consent of the Investor, and any such purported assignment shall be void. The Investor may assign without restriction any of its obligations and rights hereunder or under any other Investor Documents; provided that, in order to be effective, the Investor must provide written notice of the assignment to the Company. The Company shall maintain a register of ownership of the rights of the Investor or its assigns hereunder.

8.5 Indemnification.

(a) The Company hereby indemnifies and holds the Investor and its Affiliates and any of their respective partners, directors, managers, members, officers, employees and agents (each an "Investor Indemnified Party") harmless from and against any and all Losses incurred or suffered by any Investor Indemnified Party as a result of (i) a claim by a Third Party arising out of the Transactions, including any actual or proposed use of the amounts paid to the Company or for the Company's benefit by the Investor pursuant to any of the Transaction Documents, (ii) any breach of any representation, warranty or certification made by the Company in any of the Transaction Documents or certificates given by the Company in writing pursuant hereto or thereto, or (iii) any breach of or default under any covenant or agreement by the Company pursuant to any Transaction Document, in each case, to the extent that any of the foregoing Losses are not caused by an Investor Indemnified Party or otherwise subject to indemnification by the Investor pursuant to Section 8.5(b).

(b) The Investor hereby indemnifies and holds the Company, its Affiliates and any of their respective partners, directors, managers, members, officers, employees and agents (each a "Company Indemnified Party") harmless from and against any and all Losses incurred or suffered by any Company Indemnified Party as a result of (i) a claim by a Third Party arising out of the Transactions, (ii) any breach of any representation, warranty or certification made by the Investor in any of the Transaction Documents or certificates given by the Investor in writing pursuant hereto or thereto or (iii) any breach of or default under any covenant or agreement by the Investor pursuant to any Transaction Document, in each case, to the extent that any of the foregoing Losses are not caused by a Company Indemnified Party or otherwise subject to indemnification by the Company pursuant to Section 8.5(a).

8.6 Indemnification Procedures.

(a) A claim for indemnification for any matter not involving a Third Party claim may be asserted by notice to the party or parties from whom indemnification is sought.

(b) In the event that any legal proceedings shall be instituted or that any claim or demand shall be asserted by any Third Party in respect of which payment may be sought under Section 8.5 (an "Indemnification Claim"), the indemnified party shall promptly cause written notice of the assertion of any Indemnification Claim to be forwarded to the indemnifying party. The failure of the indemnified party to give reasonably prompt notice of any Indemnification Claim shall not release, waive or otherwise affect the indemnifying party's obligations with respect thereto except to the extent that the indemnifying party is prejudiced as a result of such failure. The indemnifying party shall have the right, at its sole option and expense, to be represented by counsel of its choice and to defend against, negotiate, settle or otherwise deal with such Indemnification Claim, which relates to any Losses indemnified against by it hereunder. If the indemnifying party elects to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against by it hereunder, it shall within thirty (30) days (or sooner, if the nature of the Indemnification Claim so requires) notify the indemnified party of its intent to do so. Notwithstanding the foregoing sentence, the indemnified party shall not be required to relinquish control of such defense to the indemnifying party and the indemnified party may, in the event the indemnifying party had previously asserted control over such defense, subsequently reassert control over such defense in the event that a Third Party is solely seeking non-monetary relief. If the indemnifying party elects not to defend against, negotiate, settle or otherwise deal with any Indemnification Claim that relates to any Losses indemnified against hereunder, the indemnified party may defend against, negotiate, settle or otherwise deal with such Indemnification Claim. If the indemnifying party shall assume the defense of any Indemnification Claim, the indemnified party may participate, at his, her or its own expense, in the defense of such Indemnification Claim; provided, however, that such indemnified party shall be entitled to participate in any such defense with separate counsel at the expense of the indemnifying party if (i) so requested by the indemnifying party to participate or (ii) in the reasonable written opinion of outside counsel to the indemnified party, a conflict or potential conflict exists between the indemnified party and the indemnifying party that would make such separate representation advisable; and provided, further, that the indemnifying party shall not be required to pay for more than one such counsel (plus any appropriate local counsel) for all indemnified parties in connection with any Indemnification Claim. The parties hereto agree to cooperate fully with each other in connection with the defense, negotiation or settlement of any such Indemnification Claim.

(c) Notwithstanding anything in this Section 8.6 to the contrary, neither the indemnifying party nor the indemnified party shall, without the written consent of the other party, (i) enter into any settlement or compromise of any Indemnification Claim that imposes non-monetary obligations or (ii) permit a default or consent to entry of any judgment, in each case, unless the claimant and such party provide to such other party an unqualified release from all liabilities in respect of the Indemnification Claim; provided, that, if a settlement offer solely for money damages is made by the applicable Third Party claimant, and the indemnifying party notifies the indemnified party in writing of the indemnifying party's willingness to accept the settlement offer and pay the amount called for by such offer, and the indemnified party declines to accept such offer, the indemnified party may continue to contest such Indemnification Claim, free of any participation by the indemnifying party, and the amount of any ultimate liability with

respect to such Indemnification Claim that the indemnifying party has an obligation to pay hereunder shall be limited to the lesser of (i) the amount of the settlement offer that the indemnified party declined to accept plus the Losses of the indemnified party relating to such Indemnification Claim through the date of its rejection of the settlement offer or (ii) the aggregate Losses of the indemnified party with respect to such Indemnification Claim. If the indemnifying party makes any payment (or causes any payment to be made) on any Indemnification Claim, the indemnifying party shall be subrogated, to the extent of such payment, to all rights and remedies of the indemnified party to any insurance benefits or other claims of the indemnified party with respect to such Indemnification Claim.

(d) After any final decision, judgment or award shall have been rendered by a Governmental Authority of competent jurisdiction, or a settlement shall have been consummated, or the indemnified party and the indemnifying party shall have arrived at a mutually binding agreement with respect to an Indemnification Claim hereunder, the indemnified party shall forward to the indemnifying party notice of any sums due and owing by the indemnifying party pursuant to this Agreement with respect to such matter.

8.7 *Expenses.* Each party hereto will pay all of its own fees and expenses in connection with entering into and consummating the Transactions.

8.8 *Independent Nature of Relationship.* Neither the Investor, on the one hand, nor the Company, on the other, has any fiduciary or other special relationship with the other or any of their respective Affiliates. Nothing contained herein or in any other Transaction Document shall be deemed to constitute the Company and the Investor as a partnership, an association, a joint venture or other kind of entity or legal form or give rise to any fiduciary obligations between the Investor and the Company.

8.9 *Entire Agreement; Third Party Beneficiaries.* This Agreement, together with the Exhibits and Schedules hereto (which are incorporated herein by reference), and the other Transaction Documents constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter of this Agreement. There are no unwritten oral agreements between the parties. The parties have voluntarily agreed to define their rights, liabilities and obligations with respect to the Transactions exclusively in contract pursuant to the express terms and provisions of this Agreement and the other Transaction Documents, and the parties hereto expressly disclaim that they are owed any duties or are entitled to any remedies not expressly set forth in this Agreement. The sole and exclusive remedies for any breach of the terms and provisions of this Agreement (including any representations and warranties set forth herein, made in connection herewith or as an inducement to enter into this Agreement) or any claim or cause of action otherwise arising out of or related to the Transactions shall be those remedies available at law or in equity for breach of contract only (as such contractual remedies have been further limited or excluded pursuant to the express terms of this Agreement), and the parties hereby agree that neither party hereto shall have any remedies or causes of action (whether in contract or in tort or otherwise) for any statements, communications, disclosures, failures to disclose, representations or warranties not set forth in this Agreement. None of this Agreement, nor any provision hereof, is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder, provided that

Section 8.5 is expressly made for the benefit of all indemnified parties and Section 8.16 is expressly made for the benefit of any Non-Party Affiliate.

8.10 *Amendments; No Waivers.*

(a) This Agreement or any term or provision hereof may not be amended, changed or modified except with the written consent of the parties hereto. No waiver of any right hereunder shall be effective unless such waiver is signed in writing by the party against whom such waiver is sought to be enforced, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

(b) No failure or delay by either party in exercising any right, power or privilege hereunder or under any other Transaction Document shall operate as a waiver thereof, nor shall any single or partial exercise thereof, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Law.

8.11 *Headings and Captions.* The headings and captions in this Agreement are for convenience and reference purposes only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

8.12 *Counterparts; Effectiveness.* This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto.

8.13 *Severability.* If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall nevertheless be given full force and effect.

8.14 *Governing Law; Jurisdiction.*

(a) This Agreement, the other Transaction Documents and all claims or causes of action (whether in contract or tort or otherwise) that may be based upon, arise out of or relate to this Agreement or any Transaction Document or the negotiation, execution or performance of this Agreement or any Transaction Document (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, any Transaction Document or as an inducement to enter into this Agreement), shall be governed by, and construed, interpreted and enforced in accordance with, the internal Laws of the State of Texas, without giving effect to conflict-of-laws principles that would result in the application of the Laws of any other jurisdiction.

(b) The parties hereby irrevocably submit to the exclusive jurisdiction of any state or federal court of competent jurisdiction in the City and State of Dallas, Texas over all claims or causes of action (whether in contract or tort or otherwise) that may be based upon, arise out of or relate to this Agreement or any other Transaction Document or the negotiation, execution or performance of this Agreement or other Transaction Document (including any claim or cause of action, whether in contract or tort or otherwise, based upon, arising out of or related to any

representation or warranty made in or in connection with this Agreement, any other Transaction Document or as an inducement to enter into this Agreement) and each party hereby irrevocably agrees that all claims in respect of any such dispute or any suit, action or proceeding related thereto (whether in contract or tort or otherwise) shall be heard and determined in such courts. The parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection that they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

(c) Each party hereto hereby irrevocably consents to the service of process out of any of the courts referred to in Section 8.14(b) in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to it at its address set forth in Section 8.3 of this Agreement (as may be updated in accordance with the procedures specified therein). Each party hereto hereby irrevocably waives any objection to such service of process and further irrevocably waives and agrees not to plead or claim in any suit, action or proceeding commenced hereunder or under any other Transaction Document that service of process was in any way invalid or ineffective. Nothing herein shall affect the right of a party to serve process on the other party in any other manner permitted by Law.

8.15 *Waiver of Jury Trial.* EACH PARTY HERETO HEREBY IRREVOCABLY AND EXPRESSLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CAUSE OF ACTION, CLAIM OR COUNTERCLAIM (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BOUGHT BY OR AGAINST IT THAT MAY BE BASED UPON, ARISE OUT OF OR RELATE TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT (INCLUDING ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF OR RELATED TO ANY REPRESENTATION OR WARRANTY MADE IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT) OR THE TRANSACTIONS. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT.

8.16 *No Recourse Against Non-Parties.* All claims or causes of action (whether in contract or in tort or otherwise) that may be based upon, arise out of or relate to this Agreement or the other Transaction Documents, or the negotiation, execution or performance of this Agreement (including any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement) or the other Transaction Documents, may be made only against the Persons that are expressly identified as parties hereto. No Person who is not a named party to this Agreement, including any past, present or future director, officer, employee, incorporator, member, manager, partner, equityholder, Affiliate, agent, attorney, lender or representative of any named party to this Agreement ("**Non-Party Affiliates**"), shall have any liability (whether in contract or in tort or otherwise, or based upon any theory that seeks to impose liability of an entity party against its owners or Affiliates) for any obligations or liabilities arising under, in connection with or related to this Agreement or for any claim based on, in respect of or by reason of this Agreement or its negotiation or execution, and each party hereto waives and releases all such liabilities, claims and obligations against any

such Non-Party Affiliates. Non-Party Affiliates are expressly intended as third-party beneficiaries of this provision of this Agreement.

8.17 *Federal Income Tax Treatment; Treatment in Bankruptcy.*

(a) Solely for United States federal income tax purposes, the parties agree to treat each advance hereunder as a contingent payment debt instrument subject to the “noncontingent bond method” of Section 1.1275-4(b) of the Treasury Regulations promulgated under the Code. For such purpose, the parties agree to treat the “comparable yield” of the debt instrument represented by the Initial Funding Amount as [●]%.² The parties will cooperate in good faith to determine the projected payment schedule for any debt instrument issued hereunder and the comparable yield of any additional debt instruments treated as having been issued.

(b) For the avoidance of doubt all amounts due to the Investor under this Agreement or in respect of the Aggregate Payment Amount shall be deemed a “claim” under and as defined in Title 11 of the United States Code.

[Signature Page Follows]

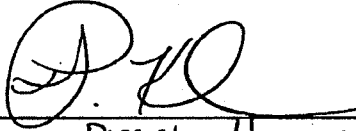
² NOTE TO DRAFT: Company to provide.

IN WITNESS WHEREOF, each of the parties hereto have caused this Agreement to be duly executed as of the date first above written.

INVESTOR:

OPTIMAL ECONOMICS CAPITAL PARTNERS
LLC

By: _____


Name: PATRICK HOWARD
Title: CEO

COMPANY:

WHRZT, INC.

By: _____


Name: Jim Nalley
Title: CEO WHRZT

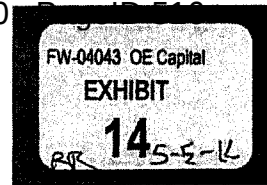
JAMES NALLEY:

JAMES NALLEY
(Solely with respect to the obligations set forth in
Section 5.3)

By: _____


Name: Jim Nalley

[Signature Page to Revenue Financing Agreement]



DCLEVELAND DRAFT
1/4/15

REVENUE FINANCING AGREEMENT

BY AND AMONG

OPTIMAL ECONOMICS CAPITAL PARTNERS LLC,

DUCOURT CONSULTING, INC.,

AND

**JUSTIN M. DULING (SOLELY WITH RESPECT TO THE OBLIGATIONS SET
FORTH IN SECTION 5.3)**

DATED AS OF JANUARY 6, 2016

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FOIA Confidential Treatment
Requested by K&L Gates LLP

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FOIA Confidential Treatment
Requested by K&L Gates LLP

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App. 0447

REVENUE FINANCING AGREEMENT

This Revenue Financing Agreement (this "Agreement"), dated as of January 6, 2016, is made by and among Ducourt Consulting, Inc., a Delaware corporation (the "Company"), Optimal Economics Capital Partners LLC, a Texas limited liability company (the "Investor"), and Justin M. Duling (solely with respect to the obligations set forth in Section 5.3).

RECITALS

WHEREAS, the Company is engaged in the business of providing consulting services to entrepreneurs and corporations;

WHEREAS, on the terms and conditions set forth in this Agreement, the Investor desires to invest in the Company and the Company desires to grant the Investor the right to receive certain payments from the Company as consideration for such investment; and

WHEREAS, concurrently with the Company's receipt of the Initial Funding Amount, the Company will repay in full all amounts outstanding under the Promissory Note and the Loan Documents will be terminated.

NOW, THEREFORE, in consideration of the foregoing and of the mutual representations, warranties and covenants herein contained, as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Article I

DEFINITIONS AND CERTAIN INTERPRETIVE MATTERS

Definitions. The following terms will have the following respective meanings for purposes of this Agreement:

"Additional Funding Date" has the meaning set forth in Section 2.1(b).

"Affiliate" means with respect to any Person, (a) any member, manager, director, officer or partner of such Person, (b) any corporation, partnership, business, association, limited liability company, firm or other entity of which such Person is a controlling equity holder, member, manager, director, officer or partner, and (c) any other Person that directly or indirectly controls, is controlled by or is under direct or indirect common control with such first Person. For purposes of this definition, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting equity interests, by contract or otherwise.

"Aggregate Payment Amount" means the Revenue Capture Fees together with any Change of Control Payment, or Default Payment, as applicable.

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

"Bankruptcy Event" means:

(a) the Company shall commence any case, proceeding or other action (i) under any existing or future Law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, relief of debtors or the like, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its respective debts, or (ii) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets, or the Company shall make a general assignment for the benefit of its respective creditors;

(b) the commencement against the Company of any case, proceeding or other action of a nature referred to in clause (a) above (i) seeking the entry of an order for relief or any such adjudication or appointment, and (ii) which remains undismissed, undischarged or unbonded for a period of ninety (90) days, or an order or decree approving or ordering any of the foregoing shall be entered;

(c) the commencement against the Company of any case, proceeding or other action (i) seeking issuance of a warrant of attachment, execution, or similar process against all or substantially all of its assets, and (ii) which shall not have been vacated, discharged, stayed, satisfied or bonded pending appeal within ninety (90) days, or an order or decree approving or ordering any of the foregoing shall be entered;

(d) the Company shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (a), (b) or (c) above of this definition of "Bankruptcy Event"; or

(e) the Company shall admit in writing in any legal proceeding its inability to, pay its respective debts as they become due.

"Bridge Loan Agreement" has the meaning set forth in the Recitals.

"Bridge Loan Payment" has the meaning set forth in Section 2.1(a).

"Business Day" means any day, excluding Saturday, Sunday and any other day on which the commercial banks in Dallas, Texas are authorized or required by Law to close.

"Change of Control" means the occurrence of any of the following transactions that would result in any Person (or group of Persons):

(a) merging with or into (whether or not the Company is the surviving entity) the Company (or group of Persons);

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(b) acquiring all or substantially all of the properties or assets of the Company through a sale, transfer, lease, license, or conveyance;

(c) acquiring, whether directly or indirectly, beneficial ownership or the right to acquire beneficial ownership of fifty percent (50%) or more of the outstanding voting securities of the Company; or

(d) other than Justin M. Duling possessing, directly or indirectly, the power to direct or cause the direction of the management and policies of the Company, whether through the ownership of voting securities (or any other ownership interest), by contract or otherwise.

"Change of Control Payment" the meaning set forth in Section 7.3.

"Change of Control Transaction" the meaning set forth in Section 7.3.

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

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

"Collateral" means all of the Company's right, title and interest in the following property, whether now or hereafter existing or acquired:

(a) all accounts, chattel paper, deposit accounts, documents, equipment, general intangibles, instruments, inventory, letter of credit rights and any supporting obligations related to any of the foregoing;

(b) all equity interests in all Subsidiaries directly or indirectly owned by the Company;

(c) all books and records pertaining to the other property described in this definition;

(d) all other goods (including fixtures) and personal property of the Company, whether tangible or intangible and wherever located; and

(e) to the extent not otherwise included, all proceeds of the foregoing.

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

"Company Documents" means this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed by the Company in connection with the Transactions.

"Company Event of Default" has the meaning set forth in Section 7.1.

"Company Indemnified Party" has the meaning set forth in Section 8.5(b).

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"Company Leases" has the meaning set forth in Section 3.17(c).

"Company Related Persons" has the meaning set forth in Section 5.12.

"Contract" means any legally binding contract, agreement, instrument, lease, license, understanding, undertaking, commitment or obligation.

"Copyrights" means all rights, title and interests (and all related IP Ancillary Rights) arising under any Law in or relating to copyrights and all mask work, database and design rights, whether or not registered or published, all registrations and recordation thereof and all applications in connection therewith.

"Default Payment" has the meaning set forth in Section 7.2(b)(ii).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 4001(b) (1) of ERISA or Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414(m) of the Code.

"Early Exit" the meaning set forth in Section 7.3.

"Financial Projections" means the non-binding projected financial performance of the Company during the course of the entire Term, which such projections are attached hereto as Exhibit A.

"Funding Schedule" has the meaning set forth in Section 2.1(b).

"GAAP" means accounting principles generally accepted in the United States in effect from time to time, applied on a consistent basis.

"Governmental Authority" means any country, state, county, city or political subdivision thereof in which the Company's operations or assets are located or that exercises jurisdiction over the Company or its operations or assets and any agency, department, commission, board, bureau or instrumentality thereof that exercises jurisdiction over the Company or its operations or assets.

"Gross Revenues" means all proceeds received by the Company as a result of its business activities, including from the sale of the Company's goods and services to customers, before any deductions or allowances.

"Indebtedness" of any Person shall mean, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding accounts

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payable incurred in the ordinary course of business and not overdue by more than ninety (90) days), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed; provided that the amount of Indebtedness for purposes of this clause (e) shall be an amount equal to the lesser of the unpaid amount of such Indebtedness and the fair market value of the encumbered property, (f) all guarantees by such Person of Indebtedness of others, (g) all capital lease obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (j) any revenue interest granted by such Person to a Third Party or any other forward sale of receivables or revenues by such Person, (k) all obligations of such Person under any liquidated earn-out, (l) any other off-balance sheet liability of such Person, and (m) all hedging obligations of such Person. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnification Claim" has the meaning set forth in Section 8.6(b).

"Initial Funding Date" has the meaning set forth in Section 6.1.

"Initial Funding Amount" has the meaning set forth in Section 2.1(a).

"Intellectual Property" means all rights, title and interests in or relating to intellectual property and industrial property arising under any Law and all IP Ancillary Rights relating thereto, including all Copyrights, Patents, Software, Trademarks, Internet Domain Names, Trade Secrets and IP Licenses.

"Internet Domain Name" means all right, title and interest (and all related IP Ancillary Rights) arising under any Law in or relating to internet domain names.

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

"Investor Documents" means this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed by the Investor in connection with the Transactions.

"Investor Indemnified Party" has the meaning set forth in Section 8.5(a).

"IP Ancillary Rights" means, with respect to any Intellectual Property, as applicable, all foreign counterparts to, and all divisional, reversions, continuations, continuations-in-part, reissues, reexaminations, renewals and extensions of, such Intellectual Property and all income, royalties, proceeds and Losses at any time due or payable or asserted under or with respect to any of the foregoing or otherwise with respect to such Intellectual Property, including all rights to sue or recover at law or in equity for any past, present or future infringement, misappropriation,

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dilution, violation or other impairment thereof, and, in each case, all rights to obtain any other IP Ancillary Right.

"IP License" means all Contracts (and all related IP Ancillary Rights), whether written or oral, granting any right, title and interest in or relating to any Intellectual Property.

"Knowledge" means (a) with respect to the Company, the actual knowledge of [KEY PERSON] after reasonable inquiry, and (b) with respect to the Investor, the actual knowledge of Patrick Howard or Urshel Metcalf after reasonable inquiry. For the purposes of the definition of "Knowledge," "reasonable inquiry" with respect to any fact, event, circumstance or condition means making inquiries of direct reports and such other senior management personnel of the Company or the Investor, as applicable, having primary responsibility over the subject matter in question.

"Law" means any federal, state, local or foreign law (including common law), statute, code, ordinance, rule, regulation or Order.

"Liens" mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a Third Party with respect to such securities.

"Loan Documents" has the meaning set forth in the Recitals.

"Losses" means, collectively, any and all claims, damages, losses, judgments, liabilities, costs and expenses (including reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding).

"Material Adverse Effect" means any event, circumstance or effect that, individually or in the aggregate, has, or could reasonably be expected to have, a material adverse effect on the (a) validity or enforceability of any of the Company Documents, (b) ability of the Company to perform any of its material obligations under any of the Company Documents, or (c) right of Investor to receive the Aggregate Payment Amount, and in respect of the foregoing subsections (a), (b) and (c), other than an event, circumstance or effect resulting from an Excluded Matter. **"Excluded Matter"** means any one or more of the following: (i) the effect of any change in the United States or foreign economies or securities or financial markets in general, (ii) the effect of any change arising in connection with natural disasters, hostilities, acts of war, sabotage or terrorism or military actions or any escalation or worsening of any such hostilities, acts of war, sabotage or terrorism or military actions existing or underway as of the date hereof; or (iii) changes in GAAP or applicable Laws, other than, with respect to clauses (i), (ii) and (iii), events that disproportionately affect the Company as compared to other companies engaged in the multilevel marketing industry in which the Company operates.

"Material Contracts" has the meaning set forth in Section 3.10.

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"Material Intellectual Property" means Intellectual Property that is owned by or licensed to the Company and material to the conduct of the Company's business.

"Maturity Date" means the date that is the third anniversary of the Initial Funding Date.

"Maximum Funding Amount" has the meaning set forth in Section 2.1(c).

"Minimum Plan Performance Threshold" has the meaning set forth in Section 2.1(f).

"Monthly Payment Date" means the first Monday following the one hundred-eightieth (180th) day after the Initial Funding Date and every first Monday of the month thereafter during the Measurement Period.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Non-Party Affiliate" has the meaning set forth in Section 8.16.

"Obligations" means the Company's obligation to pay when due any Revenue Capture Fee, Default Payment, Change of Control Payment, or other amounts the Company owes to the Investor under this Agreement (including any amounts accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), whether direct or indirect (including those acquired by assumption), absolute, contingent, due or to become due, now existing or hereafter arising.

"Observer" has the meaning set forth in Section 5.2.

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

"Patents" means all rights, title and interests (and all related IP Ancillary Rights) arising under any Law in or relating to letters patent and applications therefor.

"Permit" means any license, permit, consent, authorization or Order.

"Permitted Indebtedness" has the meaning set forth in Section 5.7.

"Permitted Liens" means (a) Liens for taxes not yet delinquent or Liens for taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been established; (b) Liens in respect of property or assets imposed by Law which were incurred in the ordinary course of business, such as carriers', warehousemen's, distributors', wholesalers', materialmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business which are not delinquent or remain payable without penalty, are subject to a right of set-off or which are being contested in good faith and by appropriate proceedings; and (c) Liens in favor of the Investor.

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"Person" means an individual, a corporation, a partnership, a limited liability company, an association, a trust, a joint stock company, a joint venture, an unincorporated organization, any Governmental Authority or any other entity or organization.

"Plan" shall mean any employee pension benefit plan, as defined in Section 3(2) of ERISA, (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Sections 412 or 430 of the Code or Section 302 of ERISA, and in respect of which the Company or any of its ERISA Affiliates is (or, if such plan were terminated, would under Sections 4062 or 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pre-Net Revenues" means Gross Revenues, net of total commissions paid to Company's sales representatives at each downline level, but not net of any other Company expenses.

"Project Manager" has the meaning set forth in Section 2.2(a).

"Project Manager Duties" has the meaning set forth in Section 2.2(b).

"Promissory Note" has the meaning set forth in the Recitals.

"Measurement Period" has the meaning set forth in Section 2.3.

"Revenue Capture Fees" has the meaning set forth in Section 2.3.

"Software" means (a) all computer programs, including source code and object code versions, (b) all data, databases and compilations of data, whether machine readable or otherwise, and (c) all documentation, training materials and configurations related to any of the foregoing.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company, joint venture or other legal entity of which such Person (either alone or through or together with any other Subsidiary or Subsidiaries) directly or indirectly, (a) owns any equity interests, the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity, or (b) serves as general partner.

"Tax" or **"Taxes"** means (a) any federal, state, local or foreign income, gross receipts, alternative or add-on minimum, sales, use, customs duty, property, transfer, occupation, service, license, payroll, franchise, excise, escheat or unclaimed property, withholding, ad valorem, severance, stamp, premium, windfall profit or employment tax or other like assessment or charge of any kind whatsoever, together with any interest, fine or penalty thereon, addition to tax, additional amount, deficiency, assessment or governmental charge, and (b) any liability for the payment of any amount of the types described in clause (a) immediately above (i) as a result of the Company being party to any agreement to indemnify any Person, (ii) as a result of the Company being a successor of any other Person or the transferee of assets or property of any other Person or (iii) under Treasury Regulation Section 1.1502-6 or other similar provision of any state, local or federal Law.

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"Term" means the period of time beginning on the Initial Funding Date and continuing until the earlier of (a) the date this Agreement is terminated in accordance with Article VII or (b) the Maturity Date.

"Third Party" shall mean any Person other than the Investor or the Company or their respective Affiliates.

"Total Funding Amount" has the meaning set forth in Section 2.1(b).

"Trade Secrets" means all right, title and interest (and all related IP Ancillary Rights) arising under any Law in or relating to trade secrets.

"Trademarks" means all rights, title and interests (and all related IP Ancillary Rights) arising under any Law in or relating to trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers and, in each case, all goodwill associated therewith, all registrations and recordations thereof and all applications in connection therewith.

"Transaction Price" the meaning set forth in Section 7.3.

"Transactions" means the transactions contemplated by the Transaction Documents.

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

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of Texas or such other jurisdiction as the context may require.

Certain Interpretive Matters.

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(f) The definitions in Section 1.1 will apply equally to both the singular and plural forms of the terms defined. Additionally:

(i) all references herein to the Recitals, Sections, Articles, Exhibits or Schedules are to the Preamble, Recitals, Sections, Articles, Exhibits or Schedules of or to this Agreement unless otherwise indicated;

(ii) each term defined in this Agreement has the meaning expressly assigned to it herein;

(iii) any terms (whether capitalized or lowercase) used in this Agreement that are defined in the UCC shall be construed and defined as set forth in the UCC unless otherwise defined herein;

(iv) words in the singular include the plural and vice versa, and the masculine, feminine or neuter gender shall be deemed to include each of the other genders, in each case, as required by the context;

(v)

(vi) the term "include," "includes," and "including" when used herein shall be deemed in each case to be followed by the words "without limitation";

(vii) the word "will" shall be construed to have the same meaning and effect as the word "shall";

(viii) any definition of or reference to any Law, agreement, instrument or other document herein shall be construed as referring to such Law, agreement, instrument, or other document as from time to time amended, restated, supplemented, or otherwise modified;

(ix) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns;

(x) all references herein to \$ or dollar amounts will be to the lawful currency of the United States;

(xi) to the extent the term "day" or "days" is used, it means calendar days;

(xii) any reference in this Agreement to "the date hereof" shall refer to the date that this Agreement is executed.

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(g) The parties hereto have participated jointly in the negotiation and drafting of this Agreement and the other Transaction Documents and, in the event an ambiguity or question of intent or interpretation arises, this Agreement and the other Transaction Documents shall be construed as jointly drafted by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement. Further, prior drafts of this Agreement or any other Transaction Documents or the fact that any clauses have been added, deleted or otherwise modified from any prior drafts of this Agreement or any other Transaction Documents hereto shall not be used as an aide of construction or otherwise constitute evidence of the intent of the parties hereto; and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of such prior drafts. The parties each hereby acknowledge that this Agreement embodies the justifiable expectations of sophisticated parties derived from arm's-length negotiations, and all 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.

Article II

FUNDING AMOUNTS; PROCEDURE; REVENUE CAPTURE FEES

Funding Amounts; Procedure.

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(a) Initial Funding Amount. Subject to the terms and conditions set forth in the Loan Documents, on the Initial Funding Date, the Investor shall provide the Company an amount equal to \$225,000 (the "Initial Funding Amount").

(b) Additional Funding Amounts. Subject to the terms and conditions set forth herein, additional funding amounts shall be provided by the Investor to the Company or made available for the benefit of the Company (each date on which any additional funding amounts are provided, an "Additional Funding Date"), upon the achievement of certain milestones (such additional funding amount provided by the Investor, together with the Initial Funding Amount, the "Total Funding Amount") as contained in that certain Funding Schedule attached hereto as Exhibit B (the "Funding Schedule").

(c) Maximum Funding Amount. The maximum funding amount that may be provided by the Investor to the Company shall be \$1,900,000 (or such higher amount as determined in accordance with this Section 2.1(c), the "Maximum Funding Amount"), unless the Investor determines, in its sole discretion, to increase such amount as a result of the Company's financial performance.

(d) Funding Amount Procedure. All funding amounts to be paid by the Investor shall be made in accordance with the Funding Schedule, and such amounts shall be paid by wire transfer of immediately available funds to the account(s) designated by the Company.

(e) Use of Proceeds. The proceeds of the Total Funding Amount may be used by the Company for any applicable and appropriate expense, including marketing for customer acquisition, sales representative training and incentives, and reasonable principal compensation.

(f) Minimum Plan Performance Threshold. The Company's projected Gross Revenues over the full Term shall be equal to or greater than 1.75 times the Total Funding Amount as of the date of determination (the "Minimum Plan Performance Threshold"). Determination of whether the Minimum Plan Performance Threshold has been met (i) shall be in the sole discretion of the Investor (which shall be exercised in good faith) after consultation with the Project Manager, and (ii) shall be based on the financial books and records of the Company that are provided by the Company to the Project Manager pursuant to Section 5.1. During the Measurement Period, there shall be no obligation of the Investor to provide additional funding above the Initial Funding Amount in the event that the Company's projected Gross Revenues over the full Term do not meet or exceed the Minimum Plan Performance Threshold.

Project Manager.

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(g) Appointment of Project Manager. The Investor has the right to assign a project manager to advise both APG and the Investor on the direction and progress of the project (the "Project Manager") and who shall report directly to, and represent the interests of, the Investor. From time to time, the Investor may remove the current Project Manager and designate a new Project Manager to the Company.

(h) Duties. The duties of the Project Manager shall include attending weekly meetings with the Company and the Investor, providing updates on the progress of the business of the Company to the Investor, and monitoring, tracking and providing updates in connection with the Company's Gross Revenues (the "Project Manager Duties"). The Project Manager will monitor the Company's financial performance and provide information regarding such performance to the Investor for purposes of determining whether the milestones set forth in the Funding Schedule have been met. For the avoidance of doubt, (i) any discussions in connection with the funding by the Investor to the Company or the overall management of such arrangement shall be between the Company and the Investor, and not between the Company and the Project Manager and (ii) any questions regarding the details of the funding by the Investor to the Company shall be directed to the Investor, and not the Project Manager; provided, however, that the Company may direct any requests for amendments to Section 2.1(e) of this Agreement to the Project Manager. The Company agrees to cooperate and take such further actions as may be reasonably requested by the Project Manager in order to facilitate the performance by the Project Manager of his or her duties.

(i) Project Manager Fees. The costs and expenses of the Project Manager shall be paid by the Investor directly to the Project Manager.

Payments to the Investor. Following a period of 90 days, beginning at the Initial Funding Date (such period called the "Deferral Period"), or as otherwise agreed upon by the Company and the Investor, until the expiration of the Term (the "Measurement Period"), the Company shall pay directly to the Investor on each Monthly Payment Date an amount equal to 10% of the Pre-Net Revenues (each, a "Revenue Capture Fee") for each day during the period following any prior Revenue Capture Fee through the day immediately preceding the then current Monthly Payment Date (except that in the case of the first Monthly Payment Date, the Revenue Capture Fee shall only be calculated from the first day of the Measurement Period).

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II.2 Total Funds Repayment. The Company may affect the immediate expiration of the Term of this Agreement by paying the applicable below-specified multiple of the Total Funding Amount (such multiplied payment, a "**Total Funds Repayment**"), the applicable Total Funding Amount to be calculated as of the date of such Total Funds Repayment:

(a) if paid in full no later than 36 months from Initial Funding Date,
then

(i) 5 x Total Funding Amount, if Company revenues are between \$95 million and \$125 (exclusive) million;

(ii) 6 x Total Funding Amount, if Company revenues are between \$125 million (inclusive) and \$175 million;

(iii) 7 x Total Funding Amount, if Company revenues are \$175 million or greater;

(b) 4 x Total Funding Amount, if paid in full no later than 24 months from Initial Funding Date; and

(c) 3 x Total Funding Amount, if paid in full no later than December 31, 2016.

2.5 Company Credit for Revenue Capture Fees. Any Default Payment pursuant to Section 7.2 or any Change of Control Payment pursuant to Section 7.3 paid by the Company to the Investor shall be net of the Revenue Capture Fees actually paid to the Investor prior to the date of such Default Payment or Change of Control Payment.

II.3 Withholding Taxes. The Company shall make each payment due to the Investor hereunder free and clear of, and without deduction or withholding, for or on account of any Taxes, except as otherwise required by Law after consultation with the Investor. In the event the Company is required by Law to deduct or withhold any Tax from a payment otherwise due to the Investor hereunder, the Company will notify the Investor and cooperate in good faith to eliminate or reduce any such requirement and, after doing so, will make such deduction or withholding required by Law, pay the amount deducted or withheld to the applicable Governmental Authority and make such additional payments to the Investor as may be necessary to ensure that the Investor receives and retains (free and clear of any such deduction or withholding) the amount otherwise required to be paid hereunder.

Article III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Investor as of the Initial Funding Date and as of each Additional Funding Date the following:

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Organization. The Company is a corporation duly organized, validly existing and in good standing under the Laws of the State of Texas, is authorized to do business in the State of Texas, and has all corporate powers and all licenses, authorizations, consents and approvals required to carry on its businesses as now conducted and as proposed to be conducted in connection with the Transactions. The copies of the certificate of formation, the bylaws and similar organizational documents of the Company as provided to the Investor are true, accurate and complete in all respects and reflect all amendments made through the date of this Agreement.

Corporate Authorization. The Company has all necessary power and authority to enter into, execute and deliver the Company Documents to perform all of the obligations to be performed by it thereunder and to consummate the Transactions. The Company Documents have been duly authorized, executed and delivered by the Company and the Company Documents constitute the valid and binding obligation of the Company, enforceable against the Company in accordance with their respective terms subject, as to enforcement of remedies, to bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally or general equitable principles.

Governmental Authorization. The execution and delivery by the Company of the Company Documents, and the performance by the Company of its obligations thereunder, do not require any notice to, action or consent by, or in respect of, or filing with, any Government Authority.

Ownership. The Company has not transferred, sold or otherwise disposed of or encumbered, or agreed to transfer, sell or otherwise dispose of or encumber, any portion of its Gross Revenues other than pursuant to this Agreement.

Financial Projections. The Financial Projections of the Company have been furnished to the Investor and the Financial Projections have been prepared in good faith based on assumptions believed to be reasonable at the time of preparation thereof. There are no statements or conclusions in any of the Financial Projections which are based upon or include information known to be misleading in any material respect or which fail to take into account material information regarding the matters reported therein. The Company believes that the Financial Projections are reasonable and attainable; it being recognized, however, that projections as to future events are not viewed as facts and that the actual results during the period or periods covered by the Financial Projections could differ from the projected results and such differences could be material.

Solvency. Assuming consummation of the Transactions, (a) the present fair saleable value of the Company's assets is greater than the amount required to pay its debts as they become due (other than debts or liabilities incurred pursuant to the Company Documents) and (b) the Company has not incurred, and has no present plans to incur, debts or liabilities (other than debts or liabilities incurred pursuant to the Company Documents) beyond its ability to pay such debts or liabilities as they become absolute and matured.

Litigation. There is no (a) action, suit, arbitration proceeding, claim, investigation or other proceeding pending or, to the Knowledge of the Company, threatened against the Company, (b) governmental inquiry pending or, to the Knowledge of the Company, threatened against the Company, in each case with respect to clauses (a) and (b) above, which, if adversely determined,

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would question the validity of, or could materially and adversely affect or prevent the consummation of, the Transactions or would reasonably be expected to have a Material Adverse Effect.

Compliance with Laws. The Company (a) is not in violation of, or to the Knowledge of the Company, is not under investigation with respect to, and, (b) to the Knowledge of the Company, has not been threatened to be charged with or been given notice of any actual or alleged violation of, with respect to clauses (a) and (b) above, any Law or decree entered by any Government Authority applicable to the Company or its Gross Revenues which would reasonably be expected to have a Material Adverse Effect.

Conflicts.

(a) Neither the execution and delivery of the Company Documents nor the performance or consummation of the Transactions will: (1) contravene, conflict with, result in a breach or violation of, constitute a default under, or accelerate the performance provided by, in any material respect, any provisions of: (A) any Law of any Government Authority, or any Order of any Government Authority, to which the Company or any of its assets or properties may be subject or bound, or (B) any contract, agreement, commitment or instrument to which the Company is a party or by which any of its assets or properties is bound or committed; (2) contravene, conflict with, result in a breach or violation of, constitute a default under, or accelerate the performance provided by, in any respect, any provisions of the certificate of formation or the bylaws (or other organizational or constitutional documents) of the Company; (3) require any notification to, filing with, or consent of any Person or Government Authority; (4) give rise to any right of termination, cancellation or acceleration of any right or obligation of the Company; (5) constitute a breach of or default under any Material Contract or give rise to any right of termination, cancellation or acceleration of any right or obligation of the Company or any other Person or to a loss of any benefit relating to the Aggregate Payment Amount; or (6) result in the creation or imposition of any Lien on the assets or properties of the Company.

(b) The Company has not granted, nor does there exist, any Lien on the Gross Revenues or any of the property or assets of the Company other than Permitted Liens.

Material Contracts. Schedule 3.10 sets forth a list of all Contracts, including all amendments and supplements thereto, to which the Company is a party or bound (collectively referred to herein as the "Material Contracts"). The Company is not in breach of or in default under any Material Contract, which breach or default, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect. To the Knowledge of the Company, nothing has occurred and no condition exists that would permit any other party thereto to terminate any Material Contract. The Company has not received any notice or, to the Knowledge of the Company, any threat of termination of any Material Contract. To the Knowledge of the Company, no other party to a Material Contract is in material breach of or in material default under such Material Contract. All Material Contracts are valid and binding on the Company and, to the Knowledge of the Company, on each other party thereto, and are in full force and effect.

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Subordination. The claims and rights of the Investor created by the Investor Documents, including, without limitation, rights in and to the Aggregate Payment Amount, are not subordinated to any obligation of the Company, including the current and future Indebtedness of the Company, any other creditor of the Company or any other Person.

Place of Business. The Company's principal place of business and chief executive office are set forth on Schedule 3.12.

Broker's Fees. The Company has not taken any action which would entitle any Person to any commission or broker's fee in connection with the Transactions.

Investment Company Status. The Company is not required to register as an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

Taxes. The Company has timely filed or caused to be filed all federal, state and other material Tax returns and reports required to have been filed by or with respect to it and has paid or caused to be paid all material Taxes required to have been paid by or with respect to it. The Company has satisfied all withholding Tax obligations with respect to payments due to any employee, member or other Person. The Company is not presently under audit or examination with respect to Taxes, and no written claim has been made that the Company is liable for additional Taxes in any jurisdiction. There are no Liens on any of the Company's assets relating to Taxes, other than Taxes that are not yet due or that may be paid without interest or penalty. The Company is presently, and has been since its organization, treated as either a partnership or disregarded as an entity separate from its owner for federal income tax purposes and has never been treated as a corporation for such purposes.

ERISA and Labor Relations. The Company has no employees and does not maintain or have an obligation to contribute to or have any liability with respect to and has never maintained, had an obligation to contribute to or had any liability with respect to any Plan or Multiemployer Plan. There are no strikes, lockouts or slowdowns against the Company or, to the Knowledge of the Company, threatened.

Properties.

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(c) The Company has valid title to, or a valid leasehold interest in (or other right to use), all of the tangible personal property, free and clear of all Liens, except for Permitted Liens, used in the conduct of the business and the operations of the Company as currently conducted.

(d) The Company does not own any real property.

(e) The Company has a good, marketable and insurable leasehold interest in the real property demised by the lease(s) described on Schedule 3.17(c), which constitute all of real property leased by the Company and used in the conduct of the business and operations of the Company as currently conducted (the "Company Leases"). The Company Leases are valid and enforceable in accordance with their terms and are in full force and effect, subject to applicable bankruptcy, insolvency and similar Laws affecting creditors' rights and remedies generally and to general principles of equity, whether applied a court of law or a court of equity.

(f) The Company owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to the operation of the business of the Company currently conducted, and the use thereof by the Company does not infringe in any material respect upon the rights of any other Person, and the Company's rights thereto are not subject to any licensing agreement or similar arrangement in favor of a Third Party. The Company is not required to pay any royalties with respect to intellectual property.

Subsidiaries; Business. The Company has no Subsidiaries. The Company has not conducted any business other than the business contemplated by the Company Documents and the Material Contracts and matters reasonably related thereto.

Intellectual Property. The Company owns, or is licensed to use, all Intellectual Property necessary to conduct its business as currently conducted. All Material Intellectual Property owned by the Company is valid, subsisting, unexpired and enforceable, and no Material Intellectual Property has been abandoned. No breach or default of any material IP License shall be caused by any of the following, and none of the following shall limit or impair the ownership, use, validity or enforceability of, or any rights of the Company in any Material Intellectual Property: (a) the consummation of the Transactions or (b) any holding, decision, judgment or order rendered by any Governmental Authority. To the Knowledge of the Company, the conduct and operations of the business of the Company do not infringe, misappropriate, dilute, violate or otherwise impair any Intellectual Property owned by any other Person. There are no pending (or, to the Knowledge of the Company, threatened) actions, investigations, suits, proceedings, audits, claims, demands, orders or disputes challenging the ownership, use, validity, enforceability of, or the Company's rights in, any material Intellectual Property. To the Company's Knowledge, no Person has been or is infringing, misappropriating, diluting, violating or otherwise impairing any Intellectual Property of the Company. The Company, and to the Company's Knowledge each other party thereto, is not in material breach or default of any material IP License.

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Indebtedness; Liens. The Company has not incurred any Indebtedness other than the Indebtedness set forth on Schedule 3.20.

Affiliate Transactions. The Company is not a party to any agreement or arrangement with any Affiliate.

Tax Analysis by the Company. The Company acknowledges and agrees that the Company is not relying on any tax advice or analysis provided by the Investor or any representative of the Investor, and that it has made its own inquiry, analysis, and investigation into, and, based thereon, has formed an independent judgment concerning, the tax consequences of this Agreement to the Company.

III.2 *No Other Representations and Warranties.* Other than the specific representations and warranties expressly set forth Article IV, the Company specifically disclaims that they are relying upon or have relied upon any such other representations or warranties that may have been made by any Person, and acknowledges and agrees that the Investor has specifically disclaimed and does hereby specifically disclaim any such other representation or warranty made by any Person. The Company specifically disclaims any obligation or duty by the Investor to make any disclosures of fact not required to be disclosed pursuant to the specific representations and warranties expressly set forth in Article IV.

Article IV

REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

The Investor hereby represents and warrants to the Company as of the Initial Funding Date and as of each Additional Funding Date the following:

Organization. The Investor is duly formed, validly existing and in good standing under the Laws of the State of Texas, is authorized to do business in the State of Texas, and has all limited liability company powers and all licenses, authorizations, consents and approvals required to carry on its business as now conducted and as proposed to be conducted regarding the Transactions.

Corporate Authorization. The Investor has all necessary power and authority to enter into, execute and deliver the Investor Documents to perform all of the obligations to be performed by it thereunder and to consummate the Transactions. The Investor Documents have been duly authorized, executed and delivered by the Investor and the Investor Documents constitute the valid and binding obligation of the Investor, enforceable against the Investor in accordance with their respective terms subject, as to enforcement of remedies, to bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally or general equitable principles.

Governmental Authorization. The execution and delivery by the Investor of the Investor Documents, and the performance by the Investor of its obligations thereunder, do not require any notice to, action or consent by, or in respect of, or filing with, any Government Authority.

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Broker's Fees. The Investor has not taken any action which would entitle any Person to any commission or broker's fee in connection with the Transactions.

Conflicts. Neither the execution and delivery of the Investor Documents nor the performance or consummation of the Transactions will: (1) contravene, conflict with, result in a breach or violation of, or constitute a default under, in any material respects, any provisions of: (A) any Law of any Government Authority, or any judgment, writ, decree, permit or license of any Government Authority, to which the Investor or any of its assets or properties may be subject or bound, or (B) any material contract, agreement, commitment or instrument to which the Investor is a party or by which the Investor or any of its assets or properties is bound or committed; (2) contravene, conflict with, result in a breach or violation of or constitute a default under, or accelerate the performance provided by, in any respect, any provisions of the organizational or constitutional documents of the Investor; (3) require any notification to, filing with, or consent of any Person or Government Authority; or (4) give rise to any right of termination, cancellation or acceleration of any right or obligation of the Investor which would reasonably be expected to have a material adverse effect on the Investor's ability to perform its obligations pursuant to the Investor Documents.

Financing. The Investor has sufficient cash, available lines of credit or other sources of immediately available funds to enable it to pay any additional funding amounts on each Additional Funding Date, up to the Maximum Funding Amount.

Litigation. There is no (a) action, suit, arbitration proceeding, claim, investigation or other proceeding pending or, to the Knowledge of the Investor, threatened against the Investor or any of its directors, officers or senior managers or (b) governmental inquiry pending or, to the Knowledge of the Investor, threatened against the Investor, or any of its directors, officers or senior managers, in each case with respect to clauses (a) and (b) above, which, if adversely determined would question the validity of, or could materially and adversely affect or prevent the consummation of, the Transactions or would reasonably be expected to have a material adverse effect on the Investor's ability to perform its obligations pursuant to the Investor Documents.

IV.1 Compliance. The Investor is in compliance with all applicable state and federal laws, including without limitation, the Investment Company Act of 1940.

Article V

COVENANTS AND ADDITIONAL AGREEMENTS

The Company and the Investor shall comply with the following covenants and additional agreements during the Term and until the Company has complied with all payment obligations hereunder:

Access; Books and Records; Inspection.

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(a) The Company shall keep and maintain, or cause to be kept and maintained, at all times accurate and complete books and records, as well as full and accurate books of account and records adequate to correctly reflect all payments paid and/or payable with respect to the Aggregate Payment Amount.

(b) The Company shall permit the Investor, its representatives and the Project Manager from time to time, to visit the Company's offices and properties for purposes of (i) conducting an audit of the Company's books and records, and to inspect, copy and audit such books and records, during normal business hours, and, upon five (5) Business Days written notice given by the Investor to the Company, the Company will provide the Investor, its representatives and the Project Manager reasonable access to such books and records, and shall permit the Investor, its representatives and the Project Manager to discuss the business, operations, properties and financial and other condition of the Company with officers of the Company, and with its independent certified public accountants (to the extent such independent certified accountants agree to discuss such matters with the Investor, their representatives and the Project Manager).

Observer Rights. The Investor shall designate one (1) observer (the "Observer"), who shall have observation rights with respect to manager, board of managers, or member meeting (or meetings of any other applicable governing body of the Company). In the event that an authorization for Company action is done by written consent instead of a meeting, the Observer shall have the right to review such written consent for a period of at least forty-eight (48) hours prior to its execution. The Company shall pay for or reimburse any reasonable out-of-pocket fees and expenses occurred by such Observer in his or her capacity as an Observer to the same extent and up to the same amount that the Company pays or reimburses such fees and expenses for any other board member of the Company.

Key Person Life Insurance. The Investor shall purchase and maintain a key person life insurance policy in the amount of the Maximum Funding Amount designating Justin M. Duling as the key person and naming the Investor as the beneficiary of the policy. Justin M. Duling consents to the Investor's purchase of such policy and agrees to cooperate and take such further actions as may be reasonably requested by the Investor or as required by the life insurance company in order to establish and maintain such policy.

Compliance with Laws and Material Contracts; Amendments.

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(c) The Company shall comply in all material respects with all Laws applicable to it or its property. The Company shall comply in all material respects with all of its obligations under the Material Contracts and shall seek to enforce its rights pursuant to the Material Contracts. Without the Investor's consent (which shall not be unreasonably withheld, conditioned or delayed), the Company shall not agree to the amendment, modification or termination of any Material Contract if such amendment, modification or termination could reasonably be expected to have a Material Adverse Effect.

(d) The Company will not amend, modify or waive any of its rights under its certificate of formation, bylaws or any other of its organizational documents in a manner which could reasonably be expected to have a Material Adverse Effect.

Permitted Liens. The Company will not create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it except Permitted Liens.

Further Assurance. Subject to the terms and conditions of this Agreement, the Company will take, or cause to be taken, all actions and do, or cause to be done, all things reasonable and necessary under applicable Laws and regulations to (a) consummate the Transactions and (b) to facilitate the transfer or pledge of the Investor's interests under this Agreement (or the interest of any successor, assign or other subsequent party in interest). The Company agrees to execute and deliver such other documents, agreements and other writings and to take such other actions as may be reasonably necessary in order to consummate, carry out the terms and conditions of, or implement expeditiously the Transactions.

Indebtedness. The Company shall not incur any Indebtedness other than Permitted Indebtedness. As used herein, "**Permitted Indebtedness**" means unsecured Indebtedness in an aggregate principal amount not exceeding \$50,000 at any given time.

Restricted Payments. The Company shall not pay a dividend or a distribution to its equity holders if any Aggregate Payment Amount is due and payable and has not been paid.

Investments. The Company will not purchase, hold or acquire any evidence of Indebtedness or equity interest of, make any loans or advances to, guarantee any obligations of, or make any investment in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit (whether through purchase of assets, merger or otherwise). The Company will not form or acquire any Subsidiaries, or any interest in a joint venture.

Existence; Conduct of Business.

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(e) The Company will not merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve.

(f) The Company will do or cause to be done all things reasonably necessary to preserve, renew and keep in full force and effect its legal existence and the rights, qualifications, franchises, government approvals, intellectual property rights, licenses and permits material to the conduct of its business, and to maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, to the extent that failure to do so would cause a Material Adverse Effect.

Payment of Obligations. The Company will pay or discharge all Taxes and all other material Indebtedness, liabilities and obligations before the same shall become delinquent or in default, except where (i) the validity or amount thereof is being contested in good faith by appropriate proceedings, (ii) the Company has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (iii) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect; provided, however, the Company will remit all material Taxes to appropriate Government Authorities as and when claimed to be due, notwithstanding the foregoing exceptions.

Non-Solicitation. During the Term of this Agreement and for a period of one (1) year from the expiration of the Term, the Company shall not and shall cause each of its respective directors, managers, partners, members, officers, employees and Affiliates (collectively, the "Company Related Persons") not to, directly or indirectly, on its behalf or on behalf of any other Person, employ or hire or solicit or divert any employee or independent contractor of the Investor that the Company comes in contact with, or becomes aware of, in connection with the Transactions; provided, that the Company Related Persons may engage in general solicitations of employment not specifically directed at such employees or independent contractors and employ or hire individuals who respond to non-targeted solicitations or who approach the Company Related Persons on his or her own for employment.

Subordination. The claims and rights of the Investor created by the Investor Documents, including, without limitation, rights in and to the Aggregate Payment Amount, shall constitute a senior obligation and shall not be subordinated to any obligation of the Company, including the current and future Indebtedness of the Company, any other creditor of the Company or any other Person.

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V.2 *Security Interest.*

(a) The Company hereby pledges, collaterally assigns, mortgages, transfers and grants to the Investor, its successors and assigns, to secure the payment and performance in full of all the Obligations, a continuing security interest in the Collateral, whether now owned by or owing to, or hereafter acquired by or arising in favor of the Company, and regardless of where located. If this Agreement is terminated, the Investor's Lien on the Collateral shall continue until the Obligations (other than contingent indemnity obligations for which a claim has not been asserted) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than contingent indemnity obligations for which a claim has not been asserted), the Investor shall, at the Company's sole cost and expense, release its Liens on the Collateral and all rights therein shall revert to the Company.

(b) The Company authorizes the Investor to file UCC financing statements in all appropriate jurisdictions to perfect or protect the Investor's interest or rights hereunder.

Article VI

CLOSING AND CONDITIONS TO CLOSING

Closing Date. Subject to the closing conditions set forth in this Article VI, the closings of the Transactions contemplated by this Agreement (each, a "Closing") will take place remotely via the electronic exchange of documents and signatures (i) on December 31, 2015 (the "Initial Funding Date") and (ii) with respect to additional funding amounts, each on an Additional Funding Date. If all conditions are determined to be satisfied (or any of such conditions are duly waived by the party benefited by such condition) at each Closing (whether or not delayed), each Closing shall be consummated.

Conditions to the Obligations of the Investor. The obligations of the Investor to effect each Closing and the payment of any additional funding amount shall be subject to the satisfaction of each of the following conditions, any of which may be waived by the Investor in its sole discretion:

(a) *Accuracy of Representations and Warranties and Compliance with Obligations.* The representations and warranties of the Company set forth in this Agreement and the other Company Documents shall be true, correct and complete in all material respects both on the Initial Funding Date and as of each Additional Funding Date (with the same force and effect as if such representations and warranties were made anew at and as of each Additional Funding Date, except to the extent that any such representations or warranties which by their terms are made as of a specified date, in which case such representations or warranties shall have been true, correct and complete in all material respects as of such specified date). The Company shall have performed and complied in all material respects with all covenants, obligations and agreements required in this Agreement and each other Company Document to be performed or complied with by it on or prior to the Initial Funding Date and each Additional Funding Date.

(b) *No Adverse Circumstances.* There shall not have occurred or be continuing any event or circumstance which would reasonably be expected to have a Material Adverse Effect.

(c) *Laws.* There shall not be in effect on the Initial Funding Date or on any Additional Funding Date any final or non-appealable Law permanently enjoining or otherwise prohibiting or making illegal the consummation of the Transactions.

(d) *Officer's Certificates.* The Investor shall have received at or prior to the Closing (i) a duly executed certificate from an authorized officer of the Company and not in his or her individual capacity pursuant to which such officer certifies that the conditions set forth in Section 6.2(a) have been satisfied in all respects as of the Initial Funding Date or Additional Funding Date, as applicable.

(e) *Company Documents.* This Agreement and the other Company Documents required to be in place as of the Initial Funding Date shall have been duly executed and delivered by all the parties thereto and shall be in form reasonably satisfactory to such parties.

Conditions to the Obligations of the Company. The obligations of the Company to effect each Closing shall be subject to the satisfaction of each of the following conditions, any of which may be waived by the Company in its sole discretion:

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(f) *Accuracy of Representations and Warranties and Compliance with Obligations.* The representations and warranties of the Investor set forth in this Agreement and the other Investor Documents shall be true, correct and complete in all material respects both on the Initial Funding Date and as of each Additional Funding Date (with the same force and effect as if such representations and warranties were made anew at and as of each Additional Funding Date, except to the extent that any such representations or warranties which by their terms are made as of a specified date, in which case such representations or warranties shall have been true, correct and complete in all material respects as of such specified date). The Investor shall have performed and complied in all material respects with all covenants, obligations and agreements required in this Agreement and each other Investor Document to be performed or complied with by the Investor on or prior to the Initial Funding Date and each Additional Funding Date.

(g) *Laws.* There shall not be in effect on the Initial Funding Date or on any Additional Funding Date any final or non-appealable Law permanently enjoying or otherwise prohibiting or making illegal the consummation of the Transactions.

(h) *Officer's Certificates.* The Company shall have received at or prior to the Closing (i) a duly executed certificate from an authorized officer of the Investor and not in his or her individual capacity pursuant to which such officer certifies that the conditions set forth in Sections 6.3(a) have been satisfied in all respects as of the Initial Funding Date or Additional Funding Date, as applicable, and (ii) a complete and duly executed IRS Form W-9 on behalf of the Investor.

(i) *Investor Documents.* This Agreement and the other Investor Documents required to be in place as of the Initial Funding Date shall have been duly executed and delivered by all the parties thereto and shall be in form reasonably satisfactory to the parties.

(j) *Payment of the Additional Funding Amounts.* The additional funding amount, as applicable, due at such Closing shall have been tendered by the Investor to the Company by wire transfer of immediately available funds to the account(s) identified to the Investor on or prior to the Closing.

Article VII

TERMINATION

Company Event of Default. A "Company Event of Default" shall occur upon any of the following events:

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(a) the Company's financial performance falls below the Minimum Plan Performance Threshold during the Measurement Period;

(b) any representation, warranty or certification made by the Company in writing pursuant to the Company Documents shall be inaccurate in any material respect as of the date as on which it was made or deemed made and such inaccuracy could reasonably be expected to result in a Material Adverse Effect;

(c) the failure of the Company to observe or perform any term, covenant, condition or agreement contained in the Company Documents (including, but not limited to, the failure of the Company to pay any Aggregate Payment Amount to the Investor when due), which such failure, if capable of cure, has not been cured within ten (10) days after written notice thereof has been provided to the Company from the Investor.

(d) a Bankruptcy Event shall have occurred; or

(e) the (i) death, or (ii) the permanent disability of Justin M. Duling.

Effect of a Company Event of Default.

(f) In the event of a Company Event of Default, the Investor (i) may decide to cease to provide any additional funding amounts called for by the Funding Schedule, (ii) without notice of default or demand, may exercise all rights and remedies available to the Investor under this Agreement or at law or equity, including all remedies provided under the UCC, and (iii) shall have the right, but not the obligation, to terminate this Agreement.

(g) If the Investor shall decide to terminate this Agreement and the Company Event of Default has occurred in accordance with:

(i) Sections 7.1(b) and 7.1(c), the Company shall pay to the Investor three (3) times the Total Funding Amount as of the date of such termination; or

(ii) Sections 7.1(d) and 7.1(e)(ii), the Company shall pay to the Investor 1.75 times the Total Funding Amount as of the date of such termination

(any payment pursuant to the foregoing clauses (i) or (ii) of this Section 7.2(b), a "**Default Payment**"). Further, any Default Payment shall be net of any amount actually paid by the Company to the Investor prior to the date of such Default Payment.

Early Exit. In the event of a sale of the Company prior to the expiration of the Term (an "**Early Exit**"), on the date of such Early Exit, the Company shall pay to the Investor an exit payment of an amount to be determined as follows (such exit payment amount, as applicable, the "**Early Exit Payment**"):

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(a) if the Company is sold at an amount equal to or greater than \$150,000,000, on the date of the Early Exit, the Company shall pay Investor an amount equal to 7 (seven) times the Total Funding Amount; or

(b) if the Company is sold for an amount less than \$150,000,000, on the date of the Early Exit, the Company shall pay Investor an amount to be negotiated and agreed upon by the Company and the Investor prior to the Early Exit; provided, however, that such payment amount to Investor shall not exceed ten (10) times the Total Funding Amount.

Any Early Exit Payment shall be net of Revenue Capture Fees actually paid to the Investor prior to the date of such Early Exit Payment. Further, upon the payment in full of the Early Exit Payment, this Agreement shall terminate subject to Section 7.7.

VII.2 Change of Control. In the event of a Change of Control of the Company that does not qualify as an Early Exit (a "Change of Control Transaction"), the Investor (i) may cease to provide any additional funding amounts called for by the Funding Schedule and (ii) shall have the right, but not the obligation, to terminate this Agreement. If the Investor opts to so terminate this Agreement, the payment due to the Investor (the "Change of Control Payment") shall be calculated as follows:

(a) if, as of the date of the Change of Control Transaction, the Company's performance is equal to or above the Minimum Plan Performance Threshold but its aggregate Gross Revenues are less than or equal to \$175,000,000, the Investor shall receive three (3) times the Total Funding Amount as of the date of the Change of Control Transaction;

(b) if, as of the date of the Change of Control Transaction, the Company's performance is equal to or above the Minimum Plan Performance Threshold but its aggregate Gross Revenues are above \$132,000,000, the Investor shall receive the amount of the Change of Control Payment that would have been payable if the date of the Change of Control Transaction were the expiration date of the Term;

(c) if, as of the date of the Change of Control Transaction, (i) the Company's performance is below the Minimum Plan Performance Threshold and (ii) the Change of Control Transaction occurs during the first year of the Term, the Investor shall receive 1.5 times the Total Funding Amount as of the date of the Change of Control; or

(d) if, as of the date of the Change of Control Transaction, (i) the Company's performance is below the Minimum Plan Performance Threshold and (ii) the Change of Control Transaction occurs during the second or third year of the Term, the Investor shall receive 1.75 times the Total Funding Amount as of the date of the Change of Control.

Upon the payment in full of the Change of Control Payment, this Agreement shall terminate subject to Section 7.7.

Change of Control Tail Period. In the event that any Change of Control Transaction occurs within twelve (12) months of the expiration of the Term, the Company shall pay to the Investor,

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on the date of such Change of Control Transaction, the Change of Control Payment that would have been payable on the date of the Change of Control Transaction as set forth in Section 7.4. Any such payment made by the Company to the Investor pursuant to this Section 7.5 shall be net of (a) the Revenue Capture Fees and (b) any Default Payment, in the case of each of the foregoing clauses (a) and (b), actually paid to the Investor prior to the date of the Change of Control Payment.

VII.3 Early Termination. At any time prior to the expiration of the Term, the Company shall have the right to terminate this Agreement. In the event that the Company exercises such termination right, the Company shall pay (on the effective date of such termination) to the Investor an early termination amount to be determined as follows (such termination amount, as applicable, the "Termination Payment"):

(a) in the event that the Minimum Plan Performance Threshold has been achieved as of such termination date but the Company's Gross Revenues are less than or equal to \$175,000,000, the Termination Payment shall be three (3) times the Total Funding Amount as of such termination date; or

(b) in the event that Gross Revenues as of such termination date are greater than \$132,000,000, the Termination Payment shall be the amount of the Exit Payment that would have been payable if such termination date were the expiration date of the Term.

In the event that an Early Exit occurs within twelve (12) months of any such termination of this Agreement, at the closing of the Early Exit transaction, the Company shall pay to the Investor the Early Exit Payment that would have been payable on the date of the Early Exit. Further, any Termination Payment shall be net of any Revenue Capture Fees actually paid to the Investor prior to the date of such Termination Payment.

Effect of Termination. In the event of the termination of this Agreement pursuant to Article VII, this Agreement shall forthwith become void and have no effect without any liability on the part of any party hereto or its Affiliates, directors, officers, members or stockholders; provided that, notwithstanding the foregoing, (a) no such termination shall relieve any party hereto of any liability for damages to the other party hereto resulting from any breach of this Agreement prior to such termination and (b) the provisions of Section 5.12 (Non-Solicitation), this Section 7.7 (Effect of Termination) and Article VIII (Miscellaneous) of this Agreement will survive any termination of this Agreement.

Article VIII

MISCELLANEOUS

Survival. All covenants, agreements, representations and warranties made herein and in any other Transaction Document, any certificates or any other writing delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and each Closing and shall remain in effect until the expiration of the Term; provided, that, notwithstanding anything in this Agreement or implied by Law to the contrary, all representations and warranties shall expire on the third anniversary of the final Closing.

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Specific Performance. Each of the parties hereto acknowledges that the other party will have no adequate remedy at law if it fails to perform any of its obligations under this Agreement or any of the other Transaction Documents. Accordingly, the parties agree that such non-breaching party shall have the right, in addition to any other rights and remedies existing in their favor at law or in equity, to enforce its rights and the other party's obligations hereunder not only by an action or actions for damages but also by an action or actions for specific performance, injunctive and/or other equitable relief (without posting of bond or other security).

Notices. All notices, consents, waivers and communications hereunder given by any party to the other shall be in writing (including facsimile or email transmission) and delivered personally, by facsimile with confirmation of delivery, by email with non-automated confirmation of receipt, by a recognized overnight courier, or by dispatching the same by certified or registered mail, return receipt requested, with postage prepaid, in each case addressed:

if to the Company, to:

Ducourt Consulting, Inc.
2675 S. Williams Street
Denver, Colorado 80210
Attention: Justin M. Duling
Facsimile: [FAX NUMBER]
E-mail address: [EMAIL ADDRESS]

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

Kutak Rock , LLP
1801 California St., Ste. 3000
Denver, CO 80202
Attention: Matthew McElhiney
Facsimile:
E-mail address:

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if to Investor, to:

Optimal Economics Capital Partners LLC
1700 Pacific Avenue
Suite 3680
Dallas, Texas 75201
Attention: Patrick Howard
Facsimile: (214)432-6308
E-mail address: patrick@oecapitalpartners.com

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

Law Office of Darryl Cleveland
5950 Berkshire Lane, Suite 410
Dallas, Texas 75225
Attention: Darryl Cleveland
E-mail address: darryl@dclevelandlaw.com

if or to such other address or addresses as the Company or the Investor may from time to time designate by notice as provided herein, except that notices of changes of address shall be effective only upon receipt. All such notices, consents, waivers and communications shall: (a) when posted by certified or registered mail, postage prepaid, return receipt requested, be effective three (3) Business Days after dispatch, (b) when facsimiled or emailed, be effective as of (1) the date of transmission, if such notice or communication is delivered via facsimile or email at the facsimile number or email address specified in this Section 8.3 prior to 5:00 p.m. (Dallas, Texas time) on a Business Day, or (2) the next Business Day after the date of transmission, if such notice or communication is delivered via facsimile or email at the facsimile number or email address specified in this Section 8.3 on a day that is not a Business Day or later than 5:00 p.m. (Dallas, Texas time) on any Business Day, or (c) when delivered by a recognized overnight courier or in person, be effective upon receipt when hand delivered.

Successors and Assigns. The provisions of this Agreement shall be binding upon the parties hereto and their successors and assigns and inure to the benefit of the parties hereto and their respective successors and permitted assigns. The Company shall not be entitled to assign any of its obligations and rights hereunder or under any other Company Documents without the prior written consent of the Investor, and any such purported assignment shall be void. The Investor may assign without restriction any of its obligations and rights hereunder or under any other Investor Documents; provided that, in order to be effective, the Investor must provide written notice of the assignment to the Company. The Company shall maintain a register of ownership of the rights of the Investor or its assigns hereunder.

Indemnification.

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(a) The Company hereby indemnifies and holds the Investor and its Affiliates and any of their respective partners, directors, managers, members, officers, employees and agents (each an "Investor Indemnified Party") harmless from and against any and all Losses incurred or suffered by any Investor Indemnified Party as a result of (i) a claim by a Third Party arising out of the Transactions, including any actual or proposed use of the amounts paid to the Company or for the Company's benefit by the Investor pursuant to any of the Transaction Documents, (ii) any breach of any representation, warranty or certification made by the Company in any of the Transaction Documents or certificates given by the Company in writing pursuant hereto or thereto, or (iii) any breach of or default under any covenant or agreement by the Company pursuant to any Transaction Document, in each case, to the extent that any of the foregoing Losses are not caused by an Investor Indemnified Party or otherwise subject to indemnification by the Investor pursuant to Section 8.5(b).

(b) The Investor hereby indemnifies and holds the Company, its Affiliates and any of their respective partners, directors, managers, members, officers, employees and agents (each a "Company Indemnified Party") harmless from and against any and all Losses incurred or suffered by any Company Indemnified Party as a result of (i) a claim by a Third Party arising out of the Transactions, (ii) any breach of any representation, warranty or certification made by the Investor in any of the Transaction Documents or certificates given by the Investor in writing pursuant hereto or thereto or (iii) any breach of or default under any covenant or agreement by the Investor pursuant to any Transaction Document, in each case, to the extent that any of the foregoing Losses are not caused by a Company Indemnified Party or otherwise subject to indemnification by the Company pursuant to Section 8.5(a).

(c) *Indemnification Procedures.*

(a) A claim for indemnification for any matter not involving a Third Party claim may be asserted by notice to the party or parties from whom indemnification is sought.

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(b) In the event that any legal proceedings shall be instituted or that any claim or demand shall be asserted by any Third Party in respect of which payment may be sought under Section 8.5 (an "Indemnification Claim"), the indemnified party shall promptly cause written notice of the assertion of any Indemnification Claim to be forwarded to the indemnifying party. The failure of the indemnified party to give reasonably prompt notice of any Indemnification Claim shall not release, waive or otherwise affect the indemnifying party's obligations with respect thereto except to the extent that the indemnifying party is prejudiced as a result of such failure. The indemnifying party shall have the right, at its sole option and expense, to be represented by counsel of its choice and to defend against, negotiate, settle or otherwise deal with such Indemnification Claim, which relates to any Losses indemnified against by it hereunder. If the indemnifying party elects to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against by it hereunder, it shall within thirty (30) days (or sooner, if the nature of the Indemnification Claim so requires) notify the indemnified party of its intent to do so. Notwithstanding the foregoing sentence, the indemnified party shall not be required to relinquish control of such defense to the indemnifying party and the indemnified party may, in the event the indemnifying party had previously asserted control over such defense, subsequently reassert control over such defense in the event that a Third Party is solely seeking non-monetary relief. If the indemnifying party elects not to defend against, negotiate, settle or otherwise deal with any Indemnification Claim that relates to any Losses indemnified against hereunder, the indemnified party may defend against, negotiate, settle or otherwise deal with such Indemnification Claim. If the indemnifying party shall assume the defense of any Indemnification Claim, the indemnified party may participate, at his, her or its own expense, in the defense of such Indemnification Claim; provided, however, that such indemnified party shall be entitled to participate in any such defense with separate counsel at the expense of the indemnifying party if (i) so requested by the indemnifying party to participate or (ii) in the reasonable written opinion of outside counsel to the indemnified party, a conflict or potential conflict exists between the indemnified party and the indemnifying party that would make such separate representation advisable; and provided, further, that the indemnifying party shall not be required to pay for more than one such counsel (plus any appropriate local counsel) for all indemnified parties in connection with any Indemnification Claim. The parties hereto agree to cooperate fully with each other in connection with the defense, negotiation or settlement of any such Indemnification Claim.

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(c) Notwithstanding anything in this Section 8.6 to the contrary, neither the indemnifying party nor the indemnified party shall, without the written consent of the other party, (i) enter into any settlement or compromise of any Indemnification Claim that imposes non-monetary obligations or (ii) permit a default or consent to entry of any judgment, in each case, unless the claimant and such party provide to such other party an unqualified release from all liabilities in respect of the Indemnification Claim; provided, that, if a settlement offer solely for money damages is made by the applicable Third Party claimant, and the indemnifying party notifies the indemnified party in writing of the indemnifying party's willingness to accept the settlement offer and pay the amount called for by such offer, and the indemnified party declines to accept such offer, the indemnified party may continue to contest such Indemnification Claim, free of any participation by the indemnifying party, and the amount of any ultimate liability with respect to such Indemnification Claim that the indemnifying party has an obligation to pay hereunder shall be limited to the lesser of (i) the amount of the settlement offer that the indemnified party declined to accept plus the Losses of the indemnified party relating to such Indemnification Claim through the date of its rejection of the settlement offer or (ii) the aggregate Losses of the indemnified party with respect to such Indemnification Claim. If the indemnifying party makes any payment (or causes any payment to be made) on any Indemnification Claim, the indemnifying party shall be subrogated, to the extent of such payment, to all rights and remedies of the indemnified party to any insurance benefits or other claims of the indemnified party with respect to such Indemnification Claim.

(d) After any final decision, judgment or award shall have been rendered by a Governmental Authority of competent jurisdiction, or a settlement shall have been consummated, or the indemnified party and the indemnifying party shall have arrived at a mutually binding agreement with respect to an Indemnification Claim hereunder, the indemnified party shall forward to the indemnifying party notice of any sums due and owing by the indemnifying party pursuant to this Agreement with respect to such matter.

Expenses. Each party hereto will pay all of its own fees and expenses in connection with entering into and consummating the Transactions.

Independent Nature of Relationship. Neither the Investor, on the one hand, nor the Company, on the other, has any fiduciary or other special relationship with the other or any of their respective Affiliates. Nothing contained herein or in any other Transaction Document shall be deemed to constitute the Company and the Investor as a partnership, an association, a joint venture or other kind of entity or legal form or give rise to any fiduciary obligations between the Investor and the Company.

Entire Agreement; Third Party Beneficiaries. This Agreement, together with the Exhibits and Schedules hereto (which are incorporated herein by reference), and the other Transaction Documents constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter of this Agreement. There are no unwritten oral agreements between the parties. The parties have voluntarily agreed to define their rights,

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liabilities and obligations with respect to the Transactions exclusively in contract pursuant to the express terms and provisions of this Agreement and the other Transaction Documents, and the parties hereto expressly disclaim that they are owed any duties or are entitled to any remedies not expressly set forth in this Agreement. The sole and exclusive remedies for any breach of the terms and provisions of this Agreement (including any representations and warranties set forth herein, made in connection herewith or as an inducement to enter into this Agreement) or any claim or cause of action otherwise arising out of or related to the Transactions shall be those remedies available at law or in equity for breach of contract only (as such contractual remedies have been further limited or excluded pursuant to the express terms of this Agreement), and the parties hereby agree that neither party hereto shall have any remedies or causes of action (whether in contract or in tort or otherwise) for any statements, communications, disclosures, failures to disclose, representations or warranties not set forth in this Agreement. None of this Agreement, nor any provision hereof, is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder; provided that Section 8.5 is expressly made for the benefit of all indemnified parties and Section 8.16 is expressly made for the benefit of any Non-Party Affiliate.

Amendments; No Waivers.

(e) This Agreement or any term or provision hereof may not be amended, changed or modified except with the written consent of the parties hereto. No waiver of any right hereunder shall be effective unless such waiver is signed in writing by the party against whom such waiver is sought to be enforced, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

(f) No failure or delay by either party in exercising any right, power or privilege hereunder or under any other Transaction Document shall operate as a waiver thereof, nor shall any single or partial exercise thereof, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Law.

Headings and Captions. The headings and captions in this Agreement are for convenience and reference purposes only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

Counterparts; Effectiveness. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto.

Severability. If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall nevertheless be given full force and effect.

Governing Law; Jurisdiction.

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(g) This Agreement, the other Transaction Documents and all claims or causes of action (whether in contract or tort or otherwise) that may be based upon, arise out of or relate to this Agreement or any Transaction Document or the negotiation, execution or performance of this Agreement or any Transaction Document (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, any Transaction Document or as an inducement to enter into this Agreement), shall be governed by, and construed, interpreted and enforced in accordance with, the internal Laws of the State of Texas, without giving effect to conflict-of-laws principles that would result in the application of the Laws of any other jurisdiction.

(h) The parties hereby irrevocably submit to the exclusive jurisdiction of any state or federal court of competent jurisdiction in the City and State of Dallas, Texas over all claims or causes of action (whether in contract or tort or otherwise) that may be based upon, arise out of or relate to this Agreement or any other Transaction Document or the negotiation, execution or performance of this Agreement or other Transaction Document (including any claim or cause of action, whether in contract or tort or otherwise, based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement, any other Transaction Document or as an inducement to enter into this Agreement) and each party hereby irrevocably agrees that all claims in respect of any such dispute or any suit, action or proceeding related thereto (whether in contract or tort or otherwise) shall be heard and determined in such courts. The parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection that they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

(i) Each party hereto hereby irrevocably consents to the service of process out of any of the courts referred to in Section 8.14(b) in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to it at its address set forth in Section 8.3 of this Agreement (as may be updated in accordance with the procedures specified therein). Each party hereto hereby irrevocably waives any objection to such service of process and further irrevocably waives and agrees not to plead or claim in any suit, action or proceeding commenced hereunder or under any other Transaction Document that service of process was in any way invalid or ineffective. Nothing herein shall affect the right of a party to serve process on the other party in any other manner permitted by Law.

Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY AND EXPRESSLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CAUSE OF ACTION, CLAIM OR COUNTERCLAIM (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BROUGHT BY OR AGAINST IT THAT MAY BE BASED UPON, ARISE OUT OF OR RELATE TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT

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(INCLUDING ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF OR RELATED TO ANY REPRESENTATION OR WARRANTY MADE IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT) OR THE TRANSACTIONS. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT.

No Recourse Against Non-Parties. All claims or causes of action (whether in contract or in tort or otherwise) that may be based upon, arise out of or relate to this Agreement or the other Transaction Documents, or the negotiation, execution or performance of this Agreement (including any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement) or the other Transaction Documents, may be made only against the Persons that are expressly identified as parties hereto. No Person who is not a named party to this Agreement, including any past, present or future director, officer, employee, incorporator, member, manager, partner, equity holder, Affiliate, agent, attorney, lender or representative of any named party to this Agreement ("Non-Party Affiliates"), shall have any liability (whether in contract or in tort or otherwise, or based upon any theory that seeks to impose liability of an entity party against its owners or Affiliates) for any obligations or liabilities arising under, in connection with or related to this Agreement or for any claim based on, in respect of or by reason of this Agreement or its negotiation or execution, and each party hereto waives and releases all such liabilities, claims and obligations against any such Non-Party Affiliates. Non-Party Affiliates are expressly intended as third-party beneficiaries of this provision of this Agreement. Therefore, for example, the personal holdings of the Company's officers and the Principal are not subject to recourse or effect of liability for matters detailed in this Section.

Federal Income Tax Treatment; Treatment in Bankruptcy.

(j) Solely for United States federal income tax purposes, the parties agree to treat each advance hereunder as a contingent payment debt instrument subject to the "noncontingent bond method" of Section 1.1275-4(b) of the Treasury Regulations promulgated under the Code. For such purpose, the parties agree to treat the "comparable yield" of the debt instrument represented by the Initial Funding Amount as 10. The parties will cooperate in good faith to determine the projected payment schedule for any debt instrument issued hereunder and the comparable yield of any additional debt instruments treated as having been issued.

(k) For the avoidance of doubt all amounts due to the Investor under this Agreement or in respect of the Aggregate Payment Amount shall be deemed a "claim" under and as defined in Title 11 of the United States Code.

[Signature Page Follows]

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IN WITNESS WHEREOF, each of the parties hereto have caused this Agreement to be duly executed as of the date first above written.

INVESTOR:

OPTIMAL ECONOMICS CAPITAL PARTNERS
LLC

By: _____
Name:
Title:

COMPANY:

DUCOURT CONSULTING, INC.

By: _____
Name:
Title:

JUSTIN M. DULING:

JUSTIN M. DULING
(Solely with respect to the obligations set forth in
Section 5.3)

By: _____
Name:

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EXHIBIT A
FINANCIAL PROJECTIONS

See attached.

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EXHIBIT B

FUNDING SCHEDULE

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IN WITNESS WHEREOF, each of the parties hereto have caused this Agreement to be duly executed as of the date first above written.

INVESTOR:

OPTIMAL ECONOMICS CAPITAL PARTNERS
LLC

By: 

Name: Patrick Hansen

Title: CEO

COMPANY:

DUCOURT CONSULTING, INC.

By: 

Name: Dennis Duling

Title: CEO

JUSTIN M. DULING:

JUSTIN M. DULING

(Solely with respect to the obligations set forth in
Section 5.3)

By: 

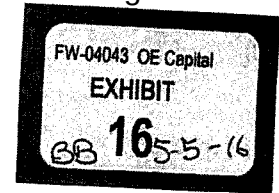
Name: Justin M. Duling

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OPERATING AGREEMENT

FUTURE PRODUCTS OF AMERICA LLC

This Operating Agreement is made and entered into effective as of November 1st, 2015, by and between First Innovations Group LLC, a Florida Limited Liability Company whose address is 4532 W. Kennedy Blvd., Suite 312, Tampa, FL 33609; and Optimal Economics Capital Partners, LLC, a Texas Limited Liability Company whose address is 2101 Cedar Springs Rd, Suite 1050, Dallas, TX 75201 (collectively referred to as the "Members" and each of whom is a "Member"). All capitalized terms not defined herein shall have the meanings ascribed thereto on the Appendix attached hereto.

ARTICLE I ORGANIZATION

Section 1.1. Formation of Limited Liability Company. The Members hereby join together to form a Florida limited liability company pursuant to the provisions of the Act and have filed Articles of Organization with the Department of State of Florida on October 8th, 2015, Document No. L15000171457.

Section 1.2. Character and Purpose of Business. The Company is authorized to conduct any and all lawful business activities for which a limited liability company may be organized under the laws of the State of Florida and under the laws of any other jurisdiction in which the Company may conduct a trade or business or in which it may own property. The Company, acting by and through its authorized representative(s) may acquire, hold, rent, lease, sell, convey, exchange, convert, improve, repair, manage and invest and reinvest the funds of the

Company in real and personal property. This Operating Agreement ("Agreement"), including any provisions of the Code incorporated by reference, shall be the sole agreement of the Members with respect to the operation of the Company, and replaces all prior written or oral agreements among the Members.

Section 1.3. Name of Company. The name of the Company shall be Future Products Of America, LLC.

Section 1.4. Principal Office. The address of the principal office of the Company shall be 4532 W. Kennedy Blvd., Suite 312, Tampa, FL 33609.

Section 1.5. Other Offices. The Company may also have offices at such other places, within or outside the State of Texas or State of Florida, as the Members may from time to time determine.

Section 1.6. Agent for Service of Process. Ricardo Valderrama (aka Rick Valderrama) shall be the Company's Agent for service of process. His address for such purposes shall be 4532 W. Kennedy Blvd., Suite 312, Tampa, FL 33609, or such other address as may from time to time be selected by the Managers. If the Agent ceases to act as such for any reason, the Managers shall promptly designate a replacement Agent.

Section 1.7. Title to Property. Title to all property, contributed to or otherwise acquired by the Company, shall be held in the name of the Company.

Section 1.8. Term. The Company shall continue in existence perpetually, unless it is earlier dissolved and terminated pursuant to the provisions of this Operating Agreement.

ARTICLE II
MANAGEMENT OF COMPANY

Section 2.1. General. Ricardo Valderrama, Carmine Denisco, Patrick Howard, and Lloyd M. Yazbek shall be the Managers of the Company and, subject to the limitations set forth herein, shall have control over the day-to-day operations of the Company. Subject to the limitations set forth herein, the Managers shall have the power and authority to: (a) buy, lease, or otherwise acquire personal property to carry on and conduct the Company's business; (b) borrow money for the Company's business; (c) negotiate and enter into agreements for the purchase, sale and leasing of real property owned by the Company; (d) manage, administer, conserve, improve, develop, operate, lease, utilize and defend the Company's assets, directly or through third parties; (e) execute any type of agreement or instrument in connection with any Company power, including but not limited to lease agreements, advertising agreements, and maintenance and service agreements; (f) employ agents and employees (including lawyers and accountants) as the Managers may deem appropriate; and (g) sue and be sued, complain and defend in the Company's name and on its behalf.

Section 2.2. Resignation and Removal. Any Manager may resign at any time by giving written notice to the Company, and to the other Members, and, unless specified therein, the acceptance of the resignation will not be necessary to make it effective. Further, any Manager may be removed as a Manager by a vote of Members holding at least 50% of the outstanding Units entitled to vote for the following acts:

- A. Filing a voluntary or involuntary petition for personal bankruptcy, adjudication of bankruptcy, or making, or attempting to make, an assignment for the benefit of creditors, or the appointment of a receiver for all or any part of his or her assets;

- B. Physical or mental Disability that prevents the satisfactory performance of the duties of the Manager, or the death of a Manager;
- C. Willful violation of any part of this Agreement;
- D. Wrongful failure to perform the duties of the Manager set forth herein after receipt of written notice from the Members setting forth such failure and the Manager not correcting such failure within thirty (30) days after receipt of such written notice;
- E. Conviction of an offense (i) punishable by imprisonment for a term of more than one (1) year, or (ii) involving theft, fraud, or moral turpitude.

Section 2.3. Limitation on Authority of Managers. Notwithstanding anything to the contrary contained herein, the Managers shall not, except with the consent of all of the outstanding Units entitled to vote:

- A. Incur, assume, guarantee or modify any indebtedness for money by, or create any lien, encumbrance or security interest with respect to any property of the Company, except in the ordinary course of business;
- B. Make or commit to make any capital expenditures on behalf of the Company in excess of FIVE THOUSAND DOLLARS (\$5,000) in any twelve (12) month period; or
- C. Authorize the acquisition of any real property, or enter into or exercise any option to purchase real property.
- D. Amend or modify the Operating Agreement of the Company;
- E. Sell, transfer or dispose of substantially all of the Company's assets;
- F. Enter into any merger, consolidation, reorganization, recapitalization or combination agreement with any other entity;
- G. Authorize or consent to the filing of a petition under any Federal or State bankruptcy, insolvency, or reorganization laws;
- H. Invest or otherwise acquire any assets (other than in the ordinary course of business), capital stock or other interest in another business or entity;
- I. Take any action to dissolve, wind up or liquidate the Company;

- J. Redeem Units or other equity interest in the Company;
- K. Change the nature of the business of the Company;
- L. Do any act which would make it impossible to carry on the ordinary business of the Company, or make any significant change in the nature or purpose of the Company; or
- M. Guarantee or co-sign the debt of any other Person.

Section 2.4. Officers. From time to time, at the discretion of the Members, the Members may elect persons as officers of the Company, including, without limitation, a president, a secretary, a treasurer, and such vice presidents, assistant secretaries, and assistant treasurers as the Members may deem desirable, and may assign such duties to the officers as the Members may determine, in their sole discretion. The officers of the Company need not be Members of the Company. All officers shall serve at the pleasure of the Members and may be removed at any time without cause.

Section 2.5. Records and Annual Reports.

- A. **Records.** The Managers shall keep, or cause to be kept, proper books of account in such manner as the Managers and the Company's accountants determine to be appropriate. The Managers shall promptly enter, or cause to be entered, in the Company's books, a full and accurate record of each transaction of the Company. All books of account, with all other written records and other documents of the Company, shall be maintained at the principal office of the Company, or at any other location in the State of Ohio or State of Florida that may be selected by the Managers from time to time, and shall be open to the reasonable inspection and copying by any Member, or such Member's duly authorized representative.
- B. **Inspections.** Any Member shall have the right to inspect and copy, at such Member's own expense, any of the Company's records required to be maintained pursuant to the Act, at such Member's reasonable request, and during regular business hours.

Section 2.6. Reliance on Acts of the Managers and Officers. No financial institution or any other Person dealing with a Manager or an Officer of the Company shall be required to ascertain whether the Manager or Officer is acting in accordance with this Agreement, but such financial institution or such other Person shall be protected in relying upon the assurances of, and the execution and delivery of documents by, a Manager or Officer.

Section 2.7. Indemnification of Managers. The Company shall indemnify each Manager who was or is a party defendant, or is threatened to be a party defendant to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that he or she is or was a Manager of the Company against expenses (including reasonable attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit, or proceeding if the Manager acted in good faith and in a manner he or she reasonably believed to be in and not opposed to the best interests of the Company. The termination of any action, suit, or proceeding by judgment, order, or settlement, will not in itself create a presumption that the person did or did not act in good faith, and in a manner which he or she reasonably believed to be in the best interests of the Company.

Section 2.8. Compensation of Managers. The Managers shall be reimbursed for all legitimate business expenses incurred for and on behalf of the Company. The Managers shall further receive such compensation for services performed for the Company as is agreed by the unanimous consent of the Members.

ARTICLE III
MEMBERS

Section 3.1. Members. The Members, and their percentages of ownership are listed on Exhibit "A" attached hereto. The Members duties and responsibilities are listed on Exhibit "B" attached hereto.

Section 3.2. Liability of Members. No Member shall be personally liable as such for the liabilities of the Company. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under this Operating Agreement or the Act shall not be grounds for imposing personal liability on the Members for the liabilities of the Company.

Section 3.3. Representations and Warranties. Each Member hereby represents and warrants to each other Member that (a) the Member acquired the Units for the Member's own account for investment purposes only and without a view to resale, redistribution, fractionalization, or other transfer of the Units; (b) the Member acknowledges that the Units have not been registered under the Securities Act of 1933, as amended, or any state securities laws, and may not be resold or transferred by the Member without appropriate registration or the availability of an exemption from such requirements; (c) each Member understands and can bear the economic risks of this investment in the Company and understands that there may be no market for the transfer of the Member's Interest in the Company; and (d) all certificates that may be issued by the Company to reflect the ownership of Units and the Unit transfer records of the Company shall bear an appropriate restriction. Each Member, in executing this Operating Agreement, certifies that he or she is able to bear the economic risk of this

investment, to hold the Membership Interest for an indefinite period of time, and to afford a complete loss of his or her investment.

Section 3.4. Member's Ownership Interest. Each Member's percentage interest in the Company will be determinative of the measure of the Member's vote as to all matters in which a Member is entitled to vote or which require a Member's consent. A Member's percentage of ownership is determined by dividing the number of Units owned by that Member by the total number of Units issued by the Company to all Members and then outstanding. Each Unit of ownership issued by the Company is entitled to one vote. A Member's Ownership Interest may, but need not, be evidenced by a Certificate of Membership.

Section 3.5. Non-Disclosure of Confidential Information. Each Member and Manager shall keep confidential all, and shall not divulge to any other party, except to carry out that Person's duties and responsibilities to the Company, any of the proprietary, confidential information of the Company, including information related to such matters as finances, methods of operation, marketing plans and strategies, and information concerning the tenants of the Company, unless such information (a) is or becomes generally available to the public, other than as a result of a disclosure by such Member or Manager; or (b) is required to be disclosed by law, or by a judicial, administrative, or regulatory authority.

Section 3.6. Meetings of the Members. Meetings of the Members, for any purpose or purposes, unless otherwise prescribed by the Act, shall be called by the Managers, at the request, in writing, of any Member, or group of Members, holding at least ten percent (10%) of the Units. Robert's Rules of Order shall govern the conduct of all meetings of the Members. The President, or a Person appointed by the Members, shall preside at all meetings of the

Members. If all of the Members shall meet at any time and place and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting, lawful action may be taken. Any Member attending any meeting (whether in person or by proxy) as to which proper notice, pursuant to Section 3.8 hereof shall not have been given, and not objecting to such lack of notice, shall be deemed to have given such Member's consent to the holding of such meeting, without proper notice.

Section 3.7. Place of Meetings. The place of meetings shall be the principal office of the Company, unless Members owning a majority of the outstanding Units agree to any other location within Texas or Florida. Any Member may attend via telephonic communication.

Section 3.8. Notice of Meetings. Except as provided in Section 3.6 hereof, the Managers shall deliver, or cause to be delivered, a notice of such meeting to each Member entitled to vote at such meeting. Said notice shall be delivered not less than fifteen (15) days, nor more than sixty (60) days, before the date of such meeting, and shall state the place, day and hour of the meeting, and the purpose or purposes for which the meeting is called.

Section 3.9. Quorum. The Members owning a majority of the Units entitled to vote in the Company represented in person or by proxy, shall constitute a quorum at any meeting of the Members.

Section 3.10. Voting. Those Members entitled to vote shall have one vote for each Unit owned by them with respect to all matters relating to the affairs of the Company. A Member may vote in person or by proxy executed in writing by the Member. Such proxy shall be filed with the Member acting as chairman of the meeting, before or at the time of the meeting.

Section 3.11. Action by Members Without a Meeting. Any action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by the Members entitled to vote approving such action, and delivered to the custodian of the Company's records for filing with the Company's records. Provided that all Members receive written notice of the actions to be taken, all such actions without a meeting shall require the written consent of all of the outstanding Units held by such Members entitled to vote thereon, and any action taken hereunder shall be effective when those number of Members have signed the consent, unless the consent specifies a different effective date. Any Member receiving written notice of an action required to be taken by the Members shall be presumed to have assented to the action unless a dissent shall be filed with the Managers within sixty (60) days after receipt of notice of the required action. If such a dissent is filed, the dissenting Member shall have the right to call a special meeting of the Members within thirty (30) days after such action is taken, to consider the action taken by the Members.

Section 3.12. Participation by Electronic Means. Any Member may participate in a meeting of the Members by means of telephone conference, or similar communication equipment, by which all Persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 3.13. Other Business Interests. Each Member may have other business interests and may engage in any other business, trade, or employment and shall not be obligated to devote more time and attention to the context of the business of the Company than is reasonably

required for the supervision of the ownership, operation and management of the Company's business property.

Section 3.14. Conflicts of Interest. No transaction with the Company shall be void or voidable solely because a Member or his family has a direct or indirect interest therein if disinterested Members, holding in the aggregate more than fifty percent (50%) of the Units held by all disinterested Members, knowing the material facts of the transaction and the Member's interest, authorize, ratify or approve the transaction.

ARTICLE IV ACCOUNTING AND RECORDS

Section 4.1. Records to be Maintained. The Company shall maintain the following records at its principal office:

- A. A current list of the full names, in alphabetical order, and last known business or residence address of each Member;
- B. Copies of the Articles of Organization and all amendments thereto;
- C. Copies of this Agreement, all amendments hereto, and executed copies of any Powers of Attorney pursuant to which this Agreement and such amendments have been executed;
- D. Copies of the Company's federal, state, and local income tax returns and reports, for the three (3) most recent fiscal years;
- E. Copies of any financial statements of the Company for the three (3) most recent fiscal years;
- F. Copies of all promissory notes, mortgages, security agreements, leases, and other financing documents; and
- G. Any other agreements or documents required by the Act or this Agreement, or to which the Company is a party.

Section 4.2. Obligations of the Company. The Company shall: (a) maintain books and records

and bank accounts separate from those of any other Person; (b) maintain its bank accounts and all of its other assets separate from those of any other Person or Entity; (c) hold itself out to creditors and the public as a legal Entity, separate and distinct from any other Entity; (d) prepare separate tax returns and financial statements; (e) transact all business with Affiliates on an arms-length basis and enter into transactions with Affiliates on commercially reasonable terms; (f) not assume, guarantee, or pay the debts or obligations of any other Person including any Member; (g) not hold out its credit as being available to satisfy the obligations of any other Person or Entity including any Member; and (h) not make loans to any other Person or Entity including any Member, or buy or hold evidence of indebtedness issued by any other Person or Entity.

ARTICLE V
CAPITAL CONTRIBUTIONS AND CAPITAL ACCOUNTS

Section 5.1. Initial Capital Contributions. To date, the Members have contributed cash or its equivalent and other assets, real and personal property, to the Capital of the Company in the amounts shown on the tax returns of the Company.

Section 5.2. Additional Capital Contributions. In the event that it is determined by the Manager(s) that the Company requires additional capital for the operations of the business of the Company or for the maintenance of any Company property, or for the acquisition or replacement of a capital asset and improvement, and the Company does not have sufficient capital reserves for such purpose, then the Managers shall first attempt to borrow such funds from a third-party financial institution, other institutional provider of funds, or an Affiliate of any of the Members (herein "Third-Party Loans"). If such Third-Party Loans cannot be secured upon commercially reasonable terms within thirty (30) days after application therefore, then

the Managers shall attempt to secure such funds from the Members, as loans. Any such loans by the Members will be upon terms which are acceptable to the Member(s) advancing such loans, and shall be secured by the assets of the Company.

If the Company is unable to secure such Third-Party Loans or loans from Members, then each Member agrees to contribute to the Company, as additional Capital, his, her, or its proportionate share of the Additional Capital so required, based upon his, her, or its proportionate Membership Interest in the Company. Each Member shall have a period of thirty (30) days after notice by the Managers in which to contribute his, her, or its proportionate share of the required Capital. If any Member (a "Delinquent Member") fails to make a required Capital Contribution when due (a "RCC"), the Company shall notify the Delinquent Member of the failure. If the Delinquent Member fails to pay the RCC within twenty (20) business days after the giving of notice, the Delinquent Member's obligation to pay the RCC shall thereafter bear interest at the Default Interest Rate (defined below).

- A. Members who are not a Delinquent Member may elect to satisfy all or any portion of the Delinquent Member's RCC ("Contributing Members"). The Contributing Members shall do so in the ratio of their respective Membership Interest or in such other ratio as they may agree. The amounts contributed pursuant to this Section 5.2 shall be a loan from the Contributing Members to the Delinquent Member (an "RCC Loan") bearing interest at the higher of 8% per annum or the highest rate permitted by law (the "Delinquent Interest Rate").
- B. Until an RCC Loan is repaid, the Contributing Members shall receive all Distributions to which the Delinquent Member would have been entitled. Such Distributions shall be applied first to the payment of interest on the RCC Loan and then to the repayment of principal. The Delinquent Member's Distributions paid to the Contributing Members shall be treated as Distributions to the Delinquent Member in determining Capital Accounts.

Section 5.3. Interest on Capital Contributions. No Member shall be paid interest on the Member's Capital Contribution.

Section 5.4. Withdrawal and Return of Capital Contributions. No Member shall have the right: (a) to withdraw any part of the Member's Capital Contribution from the Company; (b) to demand a return of his or her Capital Contribution; or (c) to receive property other than cash in return for his or her Capital Contribution.

Section 5.5. Capital Accounts. The Company shall maintain for each Member a separate Capital Account in accordance with Section 1.704-1(b)(2)(iv) of the Regulations. The Capital Account of each Member shall, except as expressly stated herein to the contrary, be credited with: (i) such Member's Capital Contributions to the Company; (ii) the fair market value of property and services contributed by such Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Section 752 of the Code); (iii) allocations to such Member of Profits; (iv) any items in the nature of income and gain which are specially allocated to the Member; and (v) the amount of any Company liabilities assumed by such Member, or which are secured by assets distributed to such Member. Each Member's Capital Account shall be debited with: (i) the amount of money distributed to such Member by the Company; (ii) the Gross Asset Value of any assets distributed to such Member pursuant to any provision of this Agreement; (iii) allocations to such Member of expenditures described in Section 705(a)(2)(B) of the Code; (iv) any items in the nature of expenses and losses that are specially allocated to the Member; (v) allocations to the account of such Member of Losses; and (vi) the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company. In determining the amount of any liability for purposes of determining Capital Accounts, there shall be taken into account Code Section 752(c) and any other applicable

provisions of the Code and Regulations. The provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 704(b) of the Code and the Regulations thereunder, and shall be interpreted and applied in a manner consistent therewith. If the Members shall determine that it is prudent to modify the manner in which the Capital Accounts, or any adjustments thereof (including, without limitation, adjustments relating to liabilities secured by contributions or distributed property or to liabilities assumed by the Members) are computed in order to comply therewith, the Members may make any such modifications but only if such modifications are not likely to have a material adverse effect on the amounts distributed to any Member upon the Dissolution of the Company. The Members will also make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of the Company's balance sheet, as computed for book purposes, in accordance with Section 1.704-1(b)(2)(iv)(q) of the Regulations, and make any appropriate modification in the event unanticipated events might otherwise cause the Agreement not to comply with Section 1.704-1(b) of the Regulations.

ARTICLE VI
ALLOCATIONS AND DISTRIBUTIONS

Section 6.1. Allocations of Profits. Notwithstanding any other provisions of this Agreement, after giving effect to the Regulatory and Curative Allocations, the Profits of the Company for each taxable year (or portion thereof) shall be allocated among the Members as detailed in Exhibit "C" attached hereto.

Section 6.2. Allocation of Losses. After giving effect to the Regulatory and Curative Allocations required by the Code, the Losses of the Company for each taxable year (or portion thereof) shall be allocated among the Members as detailed in Exhibit "C" attached hereto.

Section 6.3. Distributions. Except as otherwise provided in Article XI with respect to distributions upon liquidation of the Company, Net Cash from Operations and Net Cash from Sales or Refinancing, if any, shall be distributed to the Members annually as detailed in Exhibit "C" attached hereto. Prior to making any such distributions, the Managers shall have the right to establish reasonable cash reserves that the Managers determine are necessary to satisfy the anticipated needs of the Company.

ARTICLE VII
FISCAL MATTERS

Section 7.1. Fiscal Year. The fiscal year of the Company will end on the last day of December of each year, unless otherwise determined by resolution of the Members.

Section 7.2. Deposits. All Company checks shall require the signature(s) of the representative(s) of the Company designated by the Managers.

ARTICLE VIII
TRANSFER OF UNITS

Section 8.1. General Restrictions. Except as specifically provided herein, no Member shall have the right to Transfer his, her, or its Membership Interest, and no Member shall have the right to have a transferee admitted as a Substitute Member in respect of such Membership Interest without, in either instance, obtaining the prior written consent of the Managers, which consent shall be conditioned upon compliance with the applicable portions of this Article VIII. Except for the Transfers permitted under this Article VIII, and except for the procedures of admitting Additional Members, no Member may, directly or indirectly, sell, assign, transfer, mortgage, grant a security interest in, or charge or otherwise encumber, or permit or suffer any third party to sell, assign, transfer, mortgage, or grant a security interest in, whether

voluntarily, involuntarily, or by operation of law, any part or all of the Membership Interests or Units of any Member. Notwithstanding the foregoing, the following Permitted Transfers shall be permitted under this Agreement:

- A. A Member may Transfer his or her Membership Interest to a Trust that is wholly revocable by the Member, or to an Entity controlled by the Member, but any subsequent Transfer by the Trustee of such Trust, or by the Entity, shall be deemed to have been made by the Trust grantor and/or the Member, and the provisions of this Article VIII shall still be enforceable against the Trustee of any such Trust, or the Entity, as if the Units were still owned by the individually named Members who are parties to this Operating Agreement; and
- B. A Member shall have the right to sell, Transfer and/or convey his or her Economic Interest to the other Members so long as such Transfer complies with the following conditions:
 - (i) All requirements of applicable state and federal securities laws have been complied with;
 - (ii) The Transferor has paid or caused to be paid all costs related to such assignment, including without limitation, the reimbursement of all legal fees and expenses incurred by the Company in connection with such assignment;
 - (iii) Such assignment will not result in the Company's loss of any exemption (federal or state) from the registration of the sale of securities relied upon by the Company;
 - (iv) Such assignment will not result in the Company being classified as an "association" which is taxable as a corporation for federal income tax purposes; and
 - (v) The Transferee must become a party to this Agreement and must agree to be bound by its terms.

Section 8.2. Restrictions on Voluntary Lifetime Transfers. A Member or Assignee who desires to sell all or any portion of his or her Membership Interest or Economic Interest (herein an "Offeror"), other than by a Permitted Transfer, shall serve upon the Company and the remaining Members, by registered or certified mail, return receipt requested, notice containing

an offer to sell all, but not less than all, of his or her Membership Interest or Economic Interest (herein the "Offered Interest"), at the Agreement Price and on the Agreement Terms. The remaining Members and the Company shall each have the right, for a period of sixty (60) days to purchase the Offered Interest, as provided below at the Agreement Price and on the Agreement Terms.

The remaining Members shall each have the right to purchase a fraction of the Offered Interest, computed as follows:

- A. The numerator of such fraction shall be the number of Units of the Company then owned by the Member desiring to purchase the Offered Interest; and
- B. The denominator of such fraction shall be the number of Units of the Company then owned by all of the remaining Members desiring to purchase the Offered Interest.

If the Members decline to purchase the entire Offered Interest of the Offeror, then the Company shall have an additional period of thirty (30) days in which to purchase any or all of the Units still owned by the Offeror. Within such thirty (30) days period, the Company shall notify the Offeror as to whether or not it desires to exercise such option to purchase the remaining Units. If the Company fails to exercise its option to purchase the Offered Interest hereby, or if the Company exercises its option to only purchase a portion of the Offered Interest then available, it shall notify the Offeror and the remaining Members. The failure by any party to exercise an option granted hereunder within the time limit specified shall be deemed to be a declination thereof.

In the event that either the Members or the Company purchase the Offered Interest, then Closing shall take place within thirty (30) days after the Members or the Company obligate themselves to purchase the Membership Interest of the Offeror. Upon transfer of the Offered

Interest, the Members or the Company, as the case may be, shall pay the Offeror the Agreement Price in accordance with the Agreement Terms.

In the event that the Members and the Company do not elect to purchase all of the Offered Interest, then the Offeror may offer his or her remaining Units for sale to any other Person, for a period of three (3) months. If, during this three (3) months period of time, the Offeror receives a bona fide offer to purchase his or her remaining Units that he or she desires to accept, then he or she shall serve notice, upon the Company by registered or certified mail, return receipt requested, indicating the name and address of the person desiring to purchase the Units, and the price and terms of payment upon which said sale is proposed. Said Notice shall imply an offer to sell the Offeror's remaining Units in the Company at the same price and upon the same payment terms as the proposed sale and the Company shall have a period of five (5) days in which to accept said offer. If the Company does not exercise this right of first refusal, then the Offeror may complete the sale of his or her Units, subject to the requirements of Section 8.3 hereof. If the Company exercises its right of first refusal, then the Closing shall take place within a period of thirty (30) days after the Company accepts said offer.

Section 8.3. Requirements for Effectiveness of Transfer. As a condition to recognizing the effectiveness of any proposed Transfer of Units (other than a Permitted Transfer), the Managers must first approve the Transferee, and the Managers may require the Transferor, and/or the proposed Transferee, to execute instruments of Transfer, assignment, and assumption, and other documents, and to perform all other acts which the remaining Members entitled to vote may deem necessary or desirable to:

A. Constitute such Transferee, as a Substitute Member;

- B. Confirm that the Person acquiring Units, or being admitted as a Member, has agreed to be subject to and bound by this Agreement, as it may be further amended;
- C. Preserve the Company's status as a limited liability company under the laws of the State of Florida after the Transfer;
- D. Maintain the Company's classification as a partnership for federal income tax purposes; and
- E. Assure compliance with any applicable state and federal laws including securities laws and regulations.

In the event that the requirements set forth herein are not satisfied by the Member or waived by the Managers, then any Transfer shall be null and void and the proposed Transferor shall continue to own his/her or its Units in the Company.

Section 8.4. Insolvency Event/Involuntary Lifetime Transfer. Upon the occurrence to a Member of an Involuntary Lifetime Transfer or the filing by or against any Member of Insolvency Proceedings (herein collectively referred to as a "Triggering Event"), such Member (the "Transferor") shall, within fifteen (15) days after the occurrence of such Triggering Event, provide the Company and the Members with written notice by certified mail, return receipt requested, setting forth full details of the Triggering Event (the "Notice"). The Notice shall specify (a) the name of the proposed Transferee; (b) the percentage of Membership Interest to be Transferred; and (c) the nature of the Triggering Event. The Notice shall constitute an offer to sell the Transferor's Membership Interest at the Agreement Price and on the Agreement Terms. Notwithstanding the foregoing: (a) a Separation Event shall not be considered a Triggering Event for the Initial Members unless a court of competent jurisdiction orders Units in the Company to be sold, and (b) a Separation Event shall not be considered to be a Triggering Event for an Assignee or Substitute Member so long as the spouse of such Member has

disclaimed the right to receive any Membership Interest in the Company and does not, in fact, acquire any interest of the Company as part of any division of marital property.

Upon receipt of the Notice, then the remaining Members owning Membership Interests in the Company shall have the right, for a period of thirty (30) days thereafter, to purchase the Offered Interest covered by the Notice. If the remaining Members do not elect to purchase all of the Offeror's Membership Interest, then the Company, by a vote of the Managers, shall have the right and Option, exercisable at any time during a period of thirty (30) days after expiration of the right of the remaining Members, to purchase all of the Membership Interest covered by the Notice. Failure of a remaining Member or the Company to give notice of acceptance or rejection to the Transferor within said thirty (30) days period shall be deemed a rejection of the Transferor's Offer. Any remaining Member accepting such Offer (herein a "Purchaser") shall set forth in the Notice of Acceptance the amounts of the Membership Interest of the Transferor that such Purchaser is offering to purchase. Those remaining Members who exercise the Option to Purchase the Offered Interest shall do so in such proportions as they may agree upon, or, if they fail to agree, each Member wishing to purchase the Offered Interest shall have the right to purchase a fraction of the Offeror's Units, computed as follows:

- A. The numerator of such fraction shall be the number of Units of the Company then owned by the Member desiring to purchase the Units of the Offeror; and
- B. The denominator of such fraction shall be the number of Units of the Company then owned by all of the Members desiring to purchase the Offeror's Units.

If the Purchasers do not purchase the entire Membership Interest of the Transferor in the Company, then such Membership Interest shall be transferred to the Transferee, who shall become an Assignee of the Units, and not a Substitute Member.

Section 8.5. Death of a Member. The death of a Member shall not terminate the Company.

- A. **Settlement of Membership Interest.** No inventory or appraisal shall be performed upon the death of a Member, and the Membership Interest of the deceased Member shall be settled in the manner provided by this Section 8.5.
- B. **Personal Representative Member.** The Personal Representative of the Estate of the deceased Member shall be liable to the extent of the Estate or other assets of the deceased Member, but not personally liable, for all of the deceased Member's liabilities as a Member, if any.
- C. **Transfer of Interest.** In the event of the death of an Initial Member, then the Economic Interest of such deceased Initial Member shall pass to the deceased Initial Member's successors in interest, whether heirs by operation of law or by transfer on death or to a Trustee of a Living Trust. In such event, the Company shall purchase from the Estate of the deceased Member or from the Trustee of the deceased Member's Living Trust for a purchase price of ONE HUNDRED DOLLARS (\$100.00) any remaining rights and interest retained by the deceased Initial Member associated with the deceased Initial Member's Membership Interest. Notwithstanding the foregoing, within a period of twelve (12) months after the date of death of an Initial Member, the successor(s) in interest to the deceased Initial Member may request that the surviving Members purchase the Economic Interest of the deceased Member at the Agreement Price and on the Agreement Terms in which event the Economic Interest formerly owned by the deceased Initial Member shall be purchased by the surviving Members.

Section 8.6. Agreement Price. The Agreement Price shall mean the Fair Market Value of the Offeror's Membership Interest or Economic Interest in the Company on the last day of the month most recently ended prior to the date of any deemed Offer. The Offeror, or his or her Personal Representative, and the Company shall first attempt to agree upon the Agreement Price prior to retaining the services of a Qualified Appraiser. If they are unable to do so within a period of sixty (60) days from the date of the event giving rise to the sale of a Membership Interest, then the Agreement Price shall be determined by one or more Qualified Appraisers who shall be selected as follows:

- A. The Offeror and the Company (with the Offeror or his or her Personal Representative abstaining from voting thereon) will each have the opportunity to appoint, at his or its own expense, a Qualified Appraiser within a period of thirty (30) days after receipt of written notice from the Offeror. If either party shall fail to appoint a Qualified Appraiser within this thirty (30) days period, the other Qualified Appraiser shall unilaterally establish the Agreement Price of the Offeror's Membership Interest or Economic Interest by a single written opinion.
- B. If both the Offeror and the Company appoint Qualified Appraisers within the thirty (30) days period, then these two Qualified Appraisers shall establish the Agreement Price based upon the fair market value of the properties owned by the Company, less any outstanding liabilities, in a single written opinion agreed to by both of them.
- C. If these two Qualified Appraisers cannot agree on the Agreement Price within thirty (30) days after the appointment of the latter of them, then these two Qualified Appraisers shall together appoint a third Qualified Appraiser whose sole written opinion shall establish the Agreement Price of the Offeror's Membership Interest or Economic Interest.
- D. A "Qualified Appraiser" shall be an Accredited Senior Appraiser in Business Valuation – American Society of Appraisers, or a Certified Business Appraiser – Institute of Business Appraisers, who, together with an independent real estate appraiser is qualified by experience and ability to appraise the assets of the Company and the Offeror's Membership Interest or Economic Interest. In determining the fair market value of the Offeror's Membership Interest or Economic Interest, each Qualified Appraiser shall take into account all liabilities of the Company and the withdrawing Member's positive Capital Account balance, as determined after taking into account all Capital Account adjustments.

Section 8.7. Agreement Terms. The Transferee of any Membership Interest shall pay the Agreement Price in Eight (8) equal quarter-annual payments of principal and interest (the "Agreement Terms"), except as provided below. The first payment shall be made on the Closing of the sale of the Offeror's Membership Interest or Economic Interest, and all subsequent payments shall include interest, compounded annually at the Applicable Federal Rate established under Section 1274(d) of the Code, on the Date of the Closing, added to each installment after the first installment. The Transferee shall prepare and give the Offeror a

Cognovit Promissory Note (the "Note") as evidence of this debt, which Note shall be secured by a Pledge of the Offered Interest, in a form and substance reasonably acceptable to the Transferor. The Note will permit prepayment of all or any part of the principal balance of the Note at any time, without penalty or premium. The purchase of the Offered Interest pursuant to this Operating Agreement shall take place at a Closing, held at 1:00 o'clock P.M. on the 30th day after the date on which the Company or the remaining Members become obligated to purchase the Offered Interest of the Offeror, at the Company's primary place of business, or at any other place to which the parties agree. At Closing, the Transferee shall pay the Agreement Price in accordance with the Agreement Terms, and the Offeror shall deliver such documentation as the Company shall require to effect a Transfer of the Offered Interest then being purchased, free and clear of all liens and encumbrances. If the Offeror does not deliver such documentation at Closing, then:

- A. The Transferee shall deposit the Agreement Price by check, or by check and Note, as is appropriate, with an escrow agent selected by the Company;
- B. The escrow agent shall deposit such funds with any bank with which the Company has a bank account, on the Date of the Closing, to be paid to the Offeror as soon as is reasonably practical, less an appropriate fee to the Company (not to exceed FIVE HUNDRED DOLLARS (\$500.00)), to pay for the additional administrative costs; and
- C. The Company shall adjust its transfer books to reflect that these Membership Interests or Economic Interests have been Transferred.

ARTICLE IX ADDITIONAL MEMBERS

The Company, by the unanimous consent of the voting Members, may make a Person a Member by the Company issuing Units based upon the fair market value of such Units on the date of issuance. In such event, Exhibit "A" of this Agreement shall be amended to reflect the

issuance of additional Units and the new Member(s) shall execute such documents as shall be required to reflect their acquisition of Units in the Company and their agreement to be bound by the terms of the Articles and this Agreement.

ARTICLE X
WITHDRAWAL OF A MEMBER

Section 10.1. Withdrawal of a Member. No Member may withdraw from the Company except as otherwise provided in Section 5.2 and Article VIII of this Agreement.

Section 10.2. Conversion to Assignee Status. Unless otherwise provided in this Operating Agreement, a Member shall cease to be a Member, and shall become an Assignee, upon the happening of any of the following events:

- A. In the case of a Member who is acting as a Member by virtue of being a trustee of a trust, the termination of the trust (but not merely the substitution of a new trustee);
- B. In the case of a Member that is an entity, the dissolution and commencement of the winding-up of such entity, or the filing of a Certificate of Dissolution or its equivalent, as applicable;
- C. In the case of a Member that is an individual, the death of the Member, in which event the provisions of Section 8.5 shall apply;
- D. Upon the bankruptcy of a Member, in which event the provisions of Section 8.4 shall apply;
- E. A Member assigns or transfers all of such Member's Interest in the Company, without compliance with the provisions of Sections 8.2 and 8.3, other than pursuant to a Permitted Transfer; and
- F. The failure of a Member to personally guarantee any Third-Party Loans or to make additional capital contributions as provided by Section 5.2 hereof.

Section 10.3. Company to continue upon Withdrawal. The Company shall not dissolve upon the withdrawal of a Member, but shall continue until it is dissolved in accordance with Article XI hereof.

Section 10.4. Rights of an Assignee. An Assignee shall be treated as an Economic Interest Owner until such time as the Assignee's Membership Interest is acquired by the Members or the Company, as the case may be.

ARTICLE XI
DISSOLUTION AND WINDING UP

Section 11.1. Dissolution. The Company will dissolve and commence winding up and liquidation upon the first to occur of any of the following (each, a "Dissolution Event"):

- A. The sale or other Transfer of all, or substantially all, of the Company's assets;
- B. A merger or consolidation of the Company with one or more other entities in which the Company is not the surviving entity;
- C. The happening of any other event that makes it unlawful, impossible, or impractical to carry on the business of the Company;
- D. The decision of Members holding more than seventy-five percent (75.0%) of the outstanding Units; or
- E. Upon entry of a decree of judicial dissolution under the Act.

The Members hereby agree that, notwithstanding any provision of the Act, the Company will not dissolve prior to the occurrence of a Dissolution Event.

Section 11.2. Winding Up. Upon the occurrence of a Dissolution Event, the Company will continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Members. No Member will take any action that is inconsistent with, or not necessary to, or appropriate for, the winding up of the

Company's business and affairs. The Company's assets will be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom, to the extent sufficient therefore, will be applied and distributed in the following order:

- A. First, to the payment and discharge of all of the Company's debts and liabilities to creditors other than Members;
- B. Second, to the payment and discharge of all of the Company's debts and liabilities to Members; and
- C. The balance, if any, to the Members in accordance with their positive Capital Account balances, after giving effect to all contributions, distributions, and allocations for all taxable periods, including the period during which the Dissolution Event occurs. The parties intend that the allocation provisions contained in Schedule VI shall produce final Capital Account balances of the Members that will permit liquidating distributions that are made in accordance with final Capital Account balances pursuant to this Section 11.2.C, to be made in a manner identical to the order of priorities contained in Section 6.3. To the extent that the allocation provisions contained in Schedule VI fail to produce such final Capital Account balances, (i) such provisions shall be amended by the Members if and to the extent necessary to produce such result, (ii) Profits and Losses of the Company for any open years (or items of gross income and deduction of the Company for such open years) shall be reallocated among the Members to the extent it is not possible to achieve such result with allocations of Profits or Losses (or items of gross income and deduction) for the current and future years, and (iii) the provisions of this sentence shall control notwithstanding any reallocation or adjustment of Profits or Losses (or items thereof) by the Internal Revenue Service or other taxing authority.

Any distribution to a Member pursuant to the winding-up of the Company, will be net of any amounts owed to the Company by such Member.

Section 11.3. Compliance With Timing Requirements of the Regulations. In the event the Company is "liquidated" within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations, distributions will be made pursuant to this Section 11.3 to the Members who have positive Capital Accounts in compliance with Section 1.704-1(b)(2)(ii)(b)(2) of the Regulations. If any Member has a deficit balance in his or her Capital Account (after giving effect to all

contributions, distributions, and allocations for all taxable years, including the year during which such liquidation occurs), such Member will have no obligation to make any contribution to the capital of the Company with respect to such deficit, and such deficit will not be considered a debt owed to the Company or to any other Person for any purpose whatsoever. In the discretion of the Board, a prorata portion of the distributions that would otherwise be made to the Members pursuant to this Section 11.3 may be:

- A. Distributed to a trust established for the benefit of the Members for the purposes of liquidating Company assets, collecting amounts owed to the Company, and paying any contingent or unforeseen liabilities or obligations of the Company or of the Members arising out of or in connection with the Company. The assets of any such trust shall be distributed to the Members from time to time, in the discretion of the Board, in the same proportion as the amount distributed to such trust by the Company would otherwise have been distributed to the Members pursuant to this Agreement; or
- B. Withheld to provide a reserve for Company liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Company, provided that such withheld amounts shall be distributed to the Members as soon as reasonably practicable.

Section 11.4. Deemed Contribution and Distribution. Notwithstanding any other provision of this Article XI, in the event the Company is liquidated within the meaning of Section 1.704-1(b)(2)(ii)(h) of the Regulations but no Dissolution Event has occurred, the Company's assets will not be liquidated, the Company's liabilities will not be paid or discharged, and the Company's affairs will not be wound up. Instead, except as otherwise provided in applicable Regulations, the Company will be deemed to have contributed all of its assets and liabilities to a new limited liability company, and immediately thereafter, to have distributed the interest in such new limited liability company to the Members, in proportion to their respective Membership Interests in the Company.

Section 11.5. Rights of Members. Except as otherwise provided in this Agreement, (a) each Member will look solely to the assets of the Company for the return of his or her Capital Contribution, and will have no right or power to demand or receive property other than cash from the Company, and (b) no Member will have priority over any other Member as to the return of his or her Capital Contribution, distributions, or allocations.

ARTICLE XII
INDEMNIFICATION

Section 12.1. General. The Company shall indemnify any Person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (excluding actions by or in the right of the Company) and whether formal or informal, by reason of the fact that the Person is or was a Member or Manager of the Company, who, while a Member or Manager of the Company, is or was serving at the request of the Company as a director, officer, partner, member, trustee, employee, or agent of another corporation, partnership, limited liability company, joint venture, trust, business association, employee benefit plan, or other enterprise, whether for profit or not, against expenses (including counsel fees), judgments, settlements, penalties, and fines (including excise taxes assessed with respect to employee benefit plans) actually or reasonably incurred in accordance with such action, suit, or proceeding, if the Person acted in good faith and in a manner reasonably believed by the Person to have been, in the case of conduct taken as a Member or Manager, in the best interests of the Company and in all other cases, not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, the Person had no reasonable cause to believe such conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Person did not meet the prescribed standard of conduct. The Company may also, with the consent of a majority of the Members and Managers, indemnify any Assignee or employee or agent of the Company who is not a Member in the manner and to the extent that it shall indemnify Members pursuant to this section.

Section 12.2. Authorization. To the extent that a Member or Manager has been successful in the defense of any action, suit, or proceeding referred to in Section 12.1, on the merits or otherwise, or in the defense of any claim, issue or other matter therein, the Company shall indemnify such Person against expenses (including counsel fees) actually and reasonably incurred by the Person. Any other indemnification under Section 12.1 shall be made by the Company only as authorized in the specific case, upon a determination that indemnification of the Member or Manager, employee, or agent is permissible in the circumstances because the Person has met the applicable standard of conduct. Such determination may be made by either: (a) a majority of the Members who are not at the time parties to such action, suit, or proceeding; or (b) a written opinion authorized by independent legal counsel authorized by a majority of the disinterested Members.

Section 12.3. Reliance on Information. For purposes of any determination under Section 12.1, a Person shall be deemed to have acted in good faith and to have otherwise met the applicable standard of conduct set forth in Section 12.1 if the action is based on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by (a) one or more Members, officers, or employees of the Company or another enterprise whom the Person reasonably believes to be reliable and competent in the matters presented; (b) legal counsel, public accountants, appraisers, or other Persons as to matters reasonably believed to be within the Person's professional or expert competence; or (c) the board of directors or other governing body of another entity, employee benefit plan or other enterprise of which such Person is or was serving at the request of the Company as a director, officer, partner, member, trustee, employee, or agent. The provisions of this Section

12.3 shall not be deemed to be exclusive or to limit in any way the circumstances in which a Person may be deemed to have met the applicable standard of conduct set forth in Section 12.1.

Section 12.4. Advancement of Expenses. Expenses incurred in connection with any civil or criminal action, suit, or proceeding shall be paid for or reimbursed by the Company, unless Members owning at least a majority of the outstanding Units vote to withhold such payment until the final disposition of the action, suit, or proceeding.

Section 12.5. Non-Exclusive Provisions; Vesting. The indemnification provided by this Section is not exclusive of any other rights to which a Person seeking indemnification may be entitled. The right of any Person to indemnification under this Section shall vest at the time of occurrence or performance of any event, act, or omission giving rise to any action, suit, or proceeding of the nature referred to in Section 12.1 and, once vested, shall not later be impaired as a result of any amendment, repeal, alteration or other modification of any or all of these provisions.

Section 12.6. Definitions. For purposes of this Section, serving an employee benefit plan at the request of the Company shall include any service as a director, officer, employee, or agent of an entity which imposes duties on, or involves services by such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries. A Person who acted in good faith and in a manner reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interest of the Company" referred to in this Section. For purposes of this Section, "party" includes any individual who is or was a plaintiff, defendant, or

respondent in any action, suit, or proceeding, or who is threatened to be made a named defendant or respondent in any action, suit, or proceeding.

ARTICLE XIII
MISCELLANEOUS PROVISIONS

Section 13.1. Entire Agreement. This Agreement (including the Appendix and Exhibits hereto) and the Articles represent the entire agreement among all the Members.

Section 13.2. No Partnership Intended for Non-tax Purposes. The Members have formed the Company pursuant to the Act, and expressly do not intend to form a partnership or a limited partnership. The Members do not intend to be partners one to another, or partners as to any third party. To the extent any Member, by word or action, represents to another person that any other Member is a partner or that the Company is a partnership, the Member making such wrongful representation shall be liable to any other Member who incurs personal liability by reason of such wrongful representation.

Section 13.3. Right of Creditors and Third Parties under this Agreement. This Agreement is entered into among the Members for the exclusive benefit of the Company, its Members, and their successors and assignees. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person. Except and only to the extent provided by applicable statute, no creditor or third party shall have any rights under this Agreement or any agreement between the Company and any Member with respect to any Capital Contribution or otherwise.

Section 13.4. Notice. All notices required or permitted by this Agreement shall be in writing. Notice to the Company shall be given to it at its principal office or personally delivered to the custodian of the Company's records. Notices to the Members shall be given to them at their

addresses set forth on Schedule "A," or at such other addresses as they shall designate from time to time by a notice to the Company and the other Members.

Section 13.5. Severability. Every provision of this Agreement is intended to be severable. If any term or provision of this Agreement is illegal or invalid for any reason, the illegality or invalidity shall not affect the legality or validity of the remainder of this Agreement.

Section 13.6. Number and Gender. All provisions and references to gender shall be deemed to refer to masculine, feminine, or neuter, singular or plural, as the identity of the person or persons may require.

Section 13.7. Binding Effect. Except as otherwise provided in this Agreement, every covenant, term, and provision of this Agreement shall be binding upon and inure to the benefit of the Members and their respective heirs, legatees, legal representatives, successors, and assigns.

Section 13.8. Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all such parties executed the same document. All such counterparts shall constitute one agreement.

Section 13.9. Florida Law Controlling. The laws of the State of Florida, including the Act, shall govern the validity of this Agreement, the construction of its terms and the interpretation of the rights and duties of the parties hereto.

EXHIBIT "A"

NAME OF MEMBER	NUMBER OF UNITS	PERCENTAGE INTEREST	PERCENTAGE CAPITAL CONTRIBUTION	INITIAL CAPITAL CONTRIBUTION	ADDRESS
First Innovations Group, LLC	80	80%	NA	NA	4532 W. Kennedy Blvd., Suite 312 Tampa, FL 33609
Optimal Economics Capital Partners, LLC	20	20%	100%	\$65,000	2101 Cedar Springs Rd, Suite 1050 Dallas, TX 75201

EXHIBIT "B"

Duties and Responsibilities

1. **Manufacturing** – The Member, First Innovations Group LLC ("FIG") shall oversee and facilitate all manufacturing requirements for the Future Products of America LLC ("FPOA") portfolio of products.
2. **Product Acquisition** – Both Members shall actively acquire new products to license for the FPOA portfolio of products.
3. **Product Engineering, Design and Development** – Both Members shall actively improve current products and design new products for the FPOA portfolio of products.
4. **Sales and Distribution** – FIG shall implement and oversee the retail sales and distribution of the FPOA portfolio of products. The Member, Optimal Economics Capital Partners LLC ("OEC") shall implement and oversee the affinity channel sales and distribution of the FPOA portfolio of products. Both Members shall implement and oversee the e-commerce sales and distribution of the FPOA portfolio of products.
5. **Fiscal** – OEC shall (i) provide overall financial management and accounting services for the Company and (ii) maintain consistent and sufficient funding to meet the following financial requirements of Future Products of America LLC:
 - a. Manufacturing of products duly approved for the Future Products of America portfolio.
 - b. Marketing, including brand development, product packaging design, retail display design, and website development.
 - c. Overhead, including office space, utilities, and payroll
 - d. All other such incidental and miscellaneous costs as are reasonably necessary to achieve the ends of this Agreement.

EXHIBIT "C"

Allocation and Distribution of Company Profits and Losses

Attributable Profits/Losses:

The Profits and Losses of the Company which are attributable to the retail, e-commerce, or affinity distribution channels shall be allocated among the Members as detailed in the following chart.

NAME OF MEMBER	RETAIL DISTRIBUTION CHANNEL PROFIT/LOSS SHARE	E-COMMERCE DISTRIBUTION CHANNEL PROFIT/LOSS SHARE	AFFINITY DISTRIBUTION CHANNEL PROFIT/LOSS SHARE
First Innovations Group, LLC	60%	50%	40%
Optimal Economics Capital Partners, LLC	40%	50%	60%

Non-Attributable Profits/Losses:

Any Profits or Losses not attributable to the above-identified distribution channels shall be allocated among the Members in proportion to their respective Membership Interest or Economic Interest.

APPENDIX

Unless the context clearly indicates otherwise, the following terms shall have the meanings ascribed to them:

"Act" means Florida Statute 608.401 et al. of Florida Statutes, the Florida Limited Liability Company Act, as amended, from time to time.

"Adjusted Capital Account" means, with respect to any Member, the balance, if any, in such Member's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments: (i) credit to such Capital Account any amounts which such Member is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations; and (ii) debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6) of the Regulations. The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations, and will be interpreted consistently therewith.

"Affiliate" means any individual or Entity directly or indirectly controlling, controlled by, or under common control with such individual or Entity.

"Affinity Distribution Channel" means any sales of good or services sold exclusively through the Human to Human platform, "Overdrive", owned by OE Capital Partners.

"Agreement" means this Operating Agreement as amended from time to time.

"Articles" means the Articles of Organization of the Company as properly adopted and amended from time to time by the Members and filed with the Florida Department of State, pursuant to the Act.

"Assignee" means a transferee or assignee of Units who is not a Member at the time of the assignment and is not admitted as a Substitute Member, and the Transfer or Assignment is not a Permitted Transfer.

"Bankrupt Member" means a Member who: (i) has become the subject of a decree or order for relief under any bankruptcy, insolvency or similar law affecting creditors' rights now existing or hereafter in effect; or (ii) has initiated, either in an original proceeding or by way of answer in any state insolvency or receivership proceeding, an action for liquidation, arrangement, composition, readjustment, dissolution, or similar relief.

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

"Company" means the limited liability company organized pursuant to the Articles and this Agreement, and any successor limited liability company.

"Delinquent Member" means a Member or Assignee who has failed to meet the commitment of that Member or Assignee.

"Disability" means the inability of a Manager to perform the essential functions of his duties, because of illness or physical or mental disability or other incapacity which illness or physical or mental disability results in the Manager being unable to perform his essential functions for a period of four (4) consecutive months or shorter periods aggregating one hundred eighty days (180) in a two (2) year period. Disability exists only if it does not appear that there is any reasonable accommodation that the Company can make including providing Manager with a leave of absence, that will enable Manager to perform the essential functions of his duties.

"Distribution" means a transfer of cash or other property to a Member or Assignee on account of Units.

"E-commerce Distribution Channel" means any sale of goods sold online or direct to the consumer.

"Economic Interest" means a Member's or Economic Interest Owner's share of the Company's Profits, Losses and distributions of Capital Items pursuant to the Agreement and the Act, but shall not include any right to participate in the management or affairs of the Company, including, the right to vote on, consent to or otherwise participate in any decision of the Members.

"Economic Interest Owner" means the owner of an Economic Interest who is not a Member.

"Entity" means any corporation, partnership, trust, limited liability company, or other entity.

"Fiscal Year" means the taxable year of the Company.

"Immediate Family Member" means spouse, parent, child, or any trust in which any of them are the principal beneficiaries.

"Initial Members" means Ricardo Valderrama, Carmine Denisco, and Lloyd M. Yazbek.

"Insolvency Proceedings" means the filing by or against any Member under any state or federal bankruptcy or insolvency statute, or any petition for an appointment of a receiver for the assets of any Member.

"Majority Vote" means, at any given time, Members voting affirmatively on a matter holding in the aggregate more than fifty percent (50%) of the outstanding Units held by such Members voting thereon.

"Initial Members" means First Innovations Group, LLC, a Florida limited liability company; and Optimal Economics Capital Partners, LLC, a Texas limited liability company.

"Membership Interest" means a Member's entire interest in the Company, including such Member's Economic Interest and such other rights and privileges that the Member may enjoy by being a member.

"Net Cash From Operations" means the gross cash from Company operations, including, without limitation, operating income, rent, fees, interest, and other income attributable to the Company's business (but not including "Net Cash from Sales or Refinancing"), less amounts used to pay or establish reserves for all Company expenses, payments including loan repayments to Members or other Persons of principal and interest, capital improvements, replacements, and contingencies, all as determined by the Managers in their sole discretion; provided, however, Net Cash from Operations will not be reduced by depreciation, amortization, cost recovery deductions, or similar non-cash allowances.

"Net Cash from Sales or Refinancings" means the net cash proceeds (after reduction for all attendant costs, sales commissions, expenses, and any amounts applied to pay or repay any indebtedness of the Company in connection with the transaction) from all sales, exchanges, or other dispositions of the Company's assets (other than dispositions of personal property in the ordinary course of business), less any portion thereof used to establish or fund reserves, as determined by the Managers in their sole discretion. Net Cash from Sales or Refinancings will include all principal and interest payments with respect to any note or other obligation received by the Company in connection with sales and other disposition of Company property.

"Permitted Transfer" has the meaning set forth in Section 8.1.

"Person" means a natural person, trust, estate, partnership, limited liability company or any incorporated or unincorporated organization, association, or entity.

"Personal Representative" means the Member's Personal Representative, including any administrator, executor, trustee, or other Personal Representative who is vested with responsibility for administering the disposition of any Membership Interest or Economic Interest on account of a Member's death or disability, and any individual who holds such Membership Interest or Economic Interest as a legatee, distributee, or successor in interest, or trustee, where no executor, administrator, or similar fiduciary is appointed.

"Profits" and "Losses" for any Fiscal Year means the net income or net loss of the Company for such Fiscal Year or fraction thereof, as determined for federal income tax purposes in

accordance with the accounting method used by the Company for federal income tax purposes adjusted as follows:

- (i) Tax-exempt income as described in Section 705(a)(1)(B) of the Code realized by the Company during such Fiscal Year shall be taken in account as if it was income;
- (ii) Expenditures of the Company described in Section 705(a)(2)(B) of the Code for such year, including items treated under Section 1.704-1(b)(2)(iv)(i) of the Regulations as items described in Section 705(a)(2)(B) of the Code, shall be taken into account as if they were deductible items;
- (iii) Items that are specially allocated shall not be taken into account;
- (iv) With respect to property (other than money) which has been contributed to the capital of the Company, Profit and Loss shall be computed in accordance with the provisions of Section 1.704-1(b)(2)(iv)(g) of the Regulations by computing depreciation, amortization, gain or loss upon the fair market value of such property on the books of the Company;
- (v) With respect to any property of the Company which has been revalued as required or permitted by the Regulations under Section 704(c) of the Code, Profit or Loss shall be determined based upon the fair market value of such property as determined in such revaluation;
- (vi) The difference between the adjusted basis for federal income tax purposes and the fair market value of any asset of the Company shall be treated as gain or loss from the disposition of such asset in the event (i) any new or existing Member acquires an additional interest in the Company in exchange for a contribution to capital of the Company; or (ii) such asset of the Company is distributed to a Member pursuant to Article V or as consideration for a reduction of such Member's interest in the Company or in liquidation of such interest as defined in Section 1.704-1(b)(2)(ii)(g) of the Regulations; and
- (vii) Interest paid on loans made to the Company by a Member and salaries, fees and other compensation paid to any Member shall be deducted in computing Profit and Loss.

"Regulations" except where the context indicates otherwise, means the permanent, temporary, proposed, or proposed and temporary regulations of the Department of the Treasury under the Code as such regulations may be changed from time to time.

"Retail Distribution Channel" means any sale of goods for the purpose of resale.

"Separation Event" means, for any Member, any action or proceedings for Separation, divorce, annulment, or other dissolution of marriage is brought by or against such Member, or the Member or his spouse enter into any agreement for division of property or the like, whether or not such agreement is incorporated into any interim or final judicial order.

"Substitute Member" means an assignee or transferee of Units who is admitted as a Member, or a transferee or assignee pursuant to a Permitted Transfer.

"Transfer" means any sale, pledge, gift, bequest, or other Transfer of any Units, whether or not for value and whether or not made to another party to this Agreement. An **"Involuntary Lifetime Transfer"** means the making of any levy upon the Membership Interest of a Member or the seizing or attachment thereof; the imposition of a judgment for the payment of any sum of money against the Member which shall remain undischarged for a period of forty-five (45) days during which time execution shall not be effectively stayed, or the imposition of a lien against any such Member's Membership Interest; or any Separation Event. A **"Voluntary Lifetime Transfer"** is any Transfer made during a Member's lifetime that is not an Involuntary Lifetime Transfer. Unless the context indicates otherwise, **"Transfer"** includes both Voluntary and Involuntary Lifetime Transfers. A Transfer made to a trust that is wholly revocable by the Member or a Transfer-on-Death registration of Units shall not be deemed to be a Transfer for purposes of this Agreement, but any subsequent Transfer by the Trustee of such trust, or the beneficiary of a deceased Member, shall be deemed to have been made by the trust grantor and the provisions of this Agreement shall still be enforceable against the trustee of any such trust as if the Units were still owned by the individually named Members who are a party to this Agreement.

"Unit" means a fractional share of the Membership Interest of a Member or an Assignee in the Company, the numerator of which is one (1) and the denominator of which is the total number of Units outstanding from time to time. As of the date of this Agreement, the Company has 400 Units outstanding. The number of Units initially issued to each Member in exchange for their Initial Capital Contribution is set forth on Exhibit "A" which shall be amended in the event that the Company issues additional Units or acquires any outstanding Units.

IN WITNESS WHEREOF, the Company and the Members have entered into this
Operating Agreement as of the date first above written.

Future Products of America, LLC,
A Florida Limited Liability Company

10/29/2015

Date

By: 

Ricardo Valderrama

Manager

Future Products of America, LLC

11/3/2015

Date



Patrick Howard

Manager

Optimal Economics Capital Partners LLC

10/29/2015

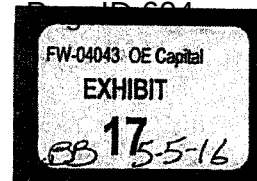
Date



Ricardo Valderrama

Manager

First Innovations Group LLC



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Name of Offeree: INSURED LIQUIDITY PARTNERS CFG I

PPM Number: 7

CONFIDENTIAL PRIVATE OFFERING MEMORANDUM

Insured Liquidity Partners CFG I

\$1,000,000

Maximum Membership Units Offered: 1,000,000

Minimum Membership Units Offered: 250,000

Price Per Unit: \$50,000.00

Minimum Investment: \$50,000.00 (1 Units)(1)

Insured Liquidity Partners CFG I, LLC (the "Company" or "Partnership"), a Texas LLC Company electing to be taxed as a Partnership, is offering a minimum of 4 and maximum of 20 membership units for \$50,000.00 per unit. The offering price per unit has been arbitrarily determined by the Company

See Risk Factors: Offering Price.

THESE ARE SPECULATIVE SECURITIES WHICH INVOLVE A HIGH DEGREE OF RISK. ONLY THOSE INVESTORS WHO CAN BEAR THE LOSS OF THEIR ENTIRE INVESTMENT SHOULD INVEST IN THESE UNITS.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), THE SECURITIES LAWS OF THE STATE OF TEXAS, OR UNDER THE SECURITIES LAWS OF ANY OTHER STATE OR JURISDICTION IN RELIANCE UPON THE EXEMPTIONS FROM REGISTRATION PROVIDED BY THE ACT AND REGULATION D RULE 504 PROMULGATED THEREUNDER, AND THE COMPARABLE EXEMPTIONS FROM REGISTRATION PROVIDED BY OTHER APPLICABLE SECURITIES LAWS.

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	Sale Price	Selling Commissions (2)	Proceeds to Company(3)
Per Unit	\$50,000.00	\$0.00	\$50,000
Minimum	\$200,000	\$0.00	\$200,000
Maximum	\$1,000,000	\$0.00	\$1,000,000

The Date of this Memorandum is January 15th, 2015

- (1) The Company reserves the right to waive the 2 Unit minimum subscription for any investor. The Offering is not underwritten. The Units are offered on a "best efforts" basis by the Company through its officers and directors. The Company has set a minimum offering amount of 4 Units with minimum gross proceeds of \$200,000 for this Offering. Upon the sale of \$200,000 of Units, all proceeds will be delivered directly to the Company's corporate account and be available for use by the Company at its discretion.
- (2) Units may also be sold by FINRA member brokers or dealers who enter into a Participating Dealer Agreement with the Company, who will receive commissions of up to 10% of the price of the Units sold. The Company reserves the right to pay expenses related to this Offering from the proceeds of the Offering. See "PLAN OF PLACEMENT and USE OF PROCEEDS" section.
- (3) The Offering will terminate on the earliest of: (a) the date the Company, in its discretion, elects to terminate, or (b) the date upon which all Units have been sold, or (c) February 15, 2015, or such date as may be extended from time to time by the Company, but not later than 180 days thereafter (the "Offering Period".)

THIS OFFERING IS NOT UNDERWRITTEN. THE OFFERING PRICE HAS BEEN ARBITRARILY SET BY THE MANAGEMENT OF THE COMPANY. THERE CAN BE NO ASSURANCE THAT ANY OF THE SECURITIES WILL BE SOLD.

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY, NOR HAS ANY SUCH REGULATORY BODY REVIEWED THIS OFFERING MEMORANDUM FOR ACCURACY OR COMPLETENESS. BECAUSE THESE SECURITIES HAVE NOT BEEN SO REGISTERED, THERE MAY BE RESTRICTIONS ON THEIR TRANSFERABILITY OR RESALE BY AN INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD PROCEED ON THE ASSUMPTION THAT HE MUST BEAR THE ECONOMIC RISKS OF THE INVESTMENT FOR AN INDEFINITE PERIOD, SINCE THE SECURITIES MAY NOT BE SOLD UNLESS, AMONG OTHER THINGS, THEY ARE SUBSEQUENTLY REGISTERED UNDER THE APPLICABLE SECURITIES ACTS OR AN

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Company or the Units that is not contained in this Memorandum. Prospective investors should not rely on any information not contained in this Memorandum.

This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy to anyone in any jurisdiction in which such offer or solicitation would be unlawful or is not authorized or in which the person making such offer or solicitation is not qualified to do so. This Memorandum does not constitute an offer if the prospective investor is not qualified under applicable securities laws.

This offering is made subject to withdrawal, cancellation, or modification by the Company without notice and solely at the Company's discretion. The Company reserves the right to reject any subscription or to allot to any prospective investor less than the number of units subscribed for by such prospective investor.

This Memorandum has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Company. Distribution of this Memorandum to any person other than the prospective investor to whom this Memorandum is delivered by the Company and those persons retained to advise them with respect thereto is unauthorized. Any reproduction of this Memorandum, in whole or in part, or the divulgence of any of the contents without the prior written consent of the Company is strictly prohibited. Each prospective investor, by accepting delivery of this Memorandum, agrees to return it and all other documents received by them to the Company if the prospective investor's subscription is not accepted or if the Offering is terminated.

By acceptance of this Memorandum, prospective investors recognize and accept the need to conduct their own thorough investigation and due diligence before considering a purchase of the Units. The contents of this Memorandum should not be considered to be investment, tax, or legal advice and each prospective investor should consult with their own counsel and advisors as to all matters concerning an investment in this Offering.

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EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. THERE IS NO TRADING MARKET FOR THE COMPANY'S MEMBERSHIP UNITS AND THERE CAN BE NO ASSURANCE THAT ANY MARKET WILL DEVELOP IN THE FUTURE OR THAT THE UNITS WILL BE ACCEPTED FOR INCLUSION ON NASDAQ OR ANY OTHER TRADING EXCHANGE AT ANY TIME IN THE FUTURE. THE COMPANY IS NOT OBLIGATED TO REGISTER FOR SALE UNDER EITHER FEDERAL OR STATE SECURITIES LAWS THE UNITS PURCHASED PURSUANT HERETO, AND THE ISSUANCE OF THE UNITS IS BEING UNDERTAKEN PURSUANT TO RULE 504 OF REGULATION D UNDER THE SECURITIES ACT. ACCORDINGLY, THE SALE, TRANSFER, OR OTHER DISPOSITION OF ANY OF THE UNITS, WHICH ARE PURCHASED PURSUANT HERETO, MAY BE RESTRICTED BY APPLICABLE FEDERAL OR STATE SECURITIES LAWS (DEPENDING ON THE RESIDENCY OF THE INVESTOR) AND BY THE PROVISIONS OF THE SUBSCRIPTION AGREEMENT REFERRED TO HEREIN. THE OFFERING PRICE OF THE SECURITIES TO WHICH THE CONFIDENTIAL TERM SHEET RELATES HAS BEEN ARBITRARILY ESTABLISHED BY THE COMPANY AND DOES NOT NECESSARILY BEAR ANY SPECIFIC RELATION TO THE ASSETS, BOOK VALUE OR POTENTIAL EARNINGS OF THE COMPANY OR ANY OTHER RECOGNIZED CRITERIA OF VALUE.

No person is authorized to give any information or make any representation not contained in the Memorandum and any information or representation not contained herein must not be relied upon. Nothing in this Memorandum should be construed as legal or tax advice.

The Management of the Company has provided all of the information stated herein. The Company makes no express or implied representation or warranty as to the completeness of this information or, in the case of projections, estimates, future plans, or forward looking assumptions or statements, as to their attainability or the accuracy and completeness of the assumptions from which they are derived, and it is expected that each prospective investor will pursue his, her, or its own independent investigation. It must be recognized that estimates of the Company's performance are necessarily subject to a high degree of uncertainty and may vary materially from actual results.

No general solicitation or advertising in whatever form will or may be employed in the offering of the securities, except for this Memorandum (including any amendments and supplements hereto), the exhibits hereto and documents summarized herein, or as provided for under Regulation D of the Securities Act of 1933. Other than the Company's Management, no one has been authorized to give any information or to make any representation with respect to the

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I. JURISDICTIONAL (NASAA) LEGENDS

FOR RESIDENTS OF ALL STATES: THE PRESENCE OF A LEGEND FOR ANY GIVEN STATE REFLECTS ONLY THAT A LEGEND MAY BE REQUIRED BY THAT STATE AND SHOULD NOT BE CONSTRUED TO MEAN AN OFFER OR SALE MAY BE MADE IN A PARTICULAR STATE. IF YOU ARE UNCERTAIN AS TO WHETHER OR NOT OFFERS OR SALES MAY BE LAWFULLY MADE IN ANY GIVEN STATE, YOU ARE HEREBY ADVISED TO CONTACT THE COMPANY. THE SECURITIES DESCRIBED IN THIS MEMORANDUM HAVE NOT BEEN REGISTERED UNDER ANY STATE SECURITIES LAWS (COMMONLY CALLED "BLUE SKY" LAWS). THESE SECURITIES MUST BE ACQUIRED FOR INVESTMENT PURPOSES ONLY AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION OF SUCH SECURITIES UNDER SUCH LAWS, OR AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED. THE PRESENCE OF A LEGEND FOR ANY GIVEN STATE REFLECTS ONLY THAT A LEGEND MAY BE REQUIRED BY THE STATE AND SHOULD NOT BE CONSTRUED TO MEAN AN OFFER OF SALE MAY BE MADE IN ANY PARTICULAR STATE.

1. NOTICE TO ALABAMA RESIDENTS ONLY: THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE ALABAMA SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE ALABAMA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

2. NOTICE TO ALASKA RESIDENTS ONLY: THE SECURITIES OFFERED HAVE NOT BEEN REGISTERED WITH THE ADMINISTRATOR OF SECURITIES OF THE STATE OF ALASKA UNDER PROVISIONS OF 3 AAC 08.500-3 AAC 08.504. THE INVESTOR IS ADVISED THAT THE ADMINISTRATOR HAS MADE ONLY A CURSORY REVIEW OF THE REGISTRATION STATEMENT AND HAS NOT REVIEWED THIS DOCUMENT SINCE THE DOCUMENT IS NOT REQUIRED TO BE FILED WITH THE ADMINISTRATOR. THE FACT OF REGISTRATION DOES NOT MEAN THAT THE ADMINISTRATOR HAS PASSED IN ANY WAY UPON THE MERITS, RECOMMENDED, OR APPROVED THE SECURITIES. ANY REPRESENTATION TO THE CONTRARY IS A VIOLATION OF 45.55.170. THE INVESTOR MUST RELY ON THE INVESTOR'S OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED IN MAKING AN INVESTMENT DECISION ON THESE SECURITIES.

3. NOTICE TO ARIZONA RESIDENTS ONLY: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE ARIZONA SECURITIES ACT IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION PURSUANT TO A.R.S. SECTION 44-1844 (1) AND

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THEREFORE CANNOT BE RESOLD UNLESS THEY ARE ALSO REGISTERED OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

4. NOTICE TO ARKANSAS RESIDENTS ONLY: THESE SECURITIES ARE OFFERED IN RELIANCE UPON CLAIMS OF EXEMPTION UNDER THE ARKANSAS SECURITIES ACT AND SECTION 4(2) OF THE SECURITIES ACT OF 1933. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE ARKANSAS SECURITIES DEPARTMENT OR WITH THE SECURITIES AND EXCHANGE COMMISSION. NEITHER THE DEPARTMENT NOR THE COMMISSION HAS PASSED UPON THE VALUE OF THESE SECURITIES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED THIS OFFERING OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

5. FOR CALIFORNIA RESIDENTS ONLY: THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS OFFERING HAS NOT BEEN QUALIFIED WITH COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFORE PRIOR TO SUCH QUALIFICATIONS IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPTED FROM QUALIFICATION BY SECTION 25100, 25102, OR 25104 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS OFFERING ARE EXPRESSLY CONDITION UPON SUCH QUALIFICATIONS BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

6. FOR COLORADO RESIDENTS ONLY: THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE COLORADO SECURITIES ACT OF 1991 BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE RESOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE COLORADO SECURITIES ACT OF 1991, IF SUCH REGISTRATION IS REQUIRED.

7. NOTICE TO CONNECTICUT RESIDENTS ONLY: SHARES ACQUIRED BY CONNECTICUT RESIDENTS ARE BEING SOLD AS A TRANSACTION EXEMPT UNDER SECTION 36-409(b)(9)(A) OF THE CONNECTICUT, UNIFORM SECURITIES ACT. THE SHARES HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF CONNECTICUT. ALL INVESTORS SHOULD BE AWARE THAT THERE ARE CERTAIN RESTRICTIONS AS TO THE TRANSFERABILITY OF THE SHARES.

8. NOTICE TO DELAWARE RESIDENTS ONLY: IF YOU ARE A DELAWARE RESIDENT, YOU ARE HEREBY ADVISED THAT THESE SECURITIES ARE BEING OFFERED IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE DELAWARE SECURITIES ACT. THE SECURITIES CANNOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER THE ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR IN A TRANSACTION WHICH IS OTHERWISE IN COMPLIANCE WITH THE ACT.

9. NOTICE TO DISTRICT OF COLUMBIA RESIDENTS ONLY: THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES BUREAU OF

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THE DISTRICT OF COLUMBIA NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

10. NOTICE TO FLORIDA RESIDENTS ONLY: THE SHARES DESCRIBED HEREIN HAVE NOT BEEN REGISTERED WITH THE FLORIDA DIVISION OF SECURITIES AND INVESTOR PROTECTION UNDER THE FLORIDA SECURITIES ACT. THE SHARES REFERRED TO HEREIN WILL BE SOLD TO, AND ACQUIRED BY THE HOLDER IN A TRANSACTION EXEMPT UNDER SECTION 517.061 OF SAID ACT. THE SHARES HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF FLORIDA. IN ADDITION, ALL OFFEREEES WHO ARE FLORIDA RESIDENTS SHOULD BE AWARE THAT SECTION 517.061(11)(a)(5) OF THE ACT PROVIDES, IN RELEVANT PART, AS FOLLOWS: "WHEN SALES ARE MADE TO FIVE OR MORE PERSONS IN [FLORIDA], ANY SALE IN [FLORIDA] MADE PURSUANT TO [THIS SECTION] IS VOIDABLE BY THE PURCHASER IN SUCH SALE EITHER WITHIN 3 DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER OR AN ESCROW AGENT OR WITHIN 3 DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER, WHICHEVER OCCURS LATER." THE AVAILABILITY OF THE PRIVILEGE TO VOID SALES PURSUANT TO SECTION 517.061(11) IS HEREBY COMMUNICATED TO EACH FLORIDA OFFEREE. EACH PERSON ENTITLED TO EXERCISE THE PRIVILEGE TO AVOID SALES GRANTED BY SECTION 517.061 (11) (A)(5) AND WHO WISHES TO EXERCISE SUCH RIGHT, MUST, WITHIN 3 DAYS AFTER THE TENDER OF ANY AMOUNT TO THE COMPANY OR TO ANY AGENT OF THE COMPANY (INCLUDING THE SELLING AGENT OR ANY OTHER DEALER ACTING ON BEHALF OF THE PARTNERSHIP OR ANY SALESMAN OF SUCH DEALER) OR AN ESCROW AGENT CAUSE A WRITTEN NOTICE OR TELEGRAM TO BE SENT TO THE COMPANY AT THE ADDRESS PROVIDED IN THIS CONFIDENTIAL EXECUTIVE SUMMARY. SUCH LETTER OR TELEGRAM MUST BE SENT AND, IF POSTMARKED, POSTMARKED ON OR PRIOR TO THE END OF THE AFOREMENTIONED THIRD DAY. IF A PERSON IS SENDING A LETTER, IT IS PRUDENT TO SEND SUCH LETTER BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ASSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME IT WAS MAILED. SHOULD A PERSON MAKE THIS REQUEST ORALLY, HE MUST ASK FOR WRITTEN CONFIRMATION THAT HIS REQUEST HAS BEEN RECEIVED.

11. NOTICE TO GEORGIA RESIDENTS ONLY: THESE SECURITIES ARE OFFERED IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE GEORGIA SECURITIES ACT PURSUANT TO REGULATION 590-4-5-04 AND -01. THE SECURITIES CANNOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER THE ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR IN A TRANSACTION WHICH IS OTHERWISE IN COMPLIANCE WITH THE ACT.

12. NOTICE TO HAWAII RESIDENTS ONLY: NEITHER THIS PROSPECTUS NOR THE SECURITIES DESCRIBED HEREIN BEEN APPROVED OR DISAPPROVED BY THE COMMISSIONER OF SECURITIES OF THE STATE OF HAWAII NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS.

13. NOTICE TO IDAHO RESIDENTS ONLY: THESE SECURITIES EVIDENCED

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HEREBY HAVE NOT BEEN REGISTERED UNDER THE IDAHO SECURITIES ACT IN RELIANCE UPON EXEMPTION FROM REGISTRATION PURSUANT TO SECTION 30-14-203 OR 302(c) THEREOF AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER SAID ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SAID ACT.

14. NOTICE TO ILLINOIS RESIDENTS: THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECRETARY OF THE STATE OF ILLINOIS NOR HAS THE STATE OF ILLINOIS PASSED UPON THE ACCURACY OR ADEQUACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

15. NOTICE TO INDIANA RESIDENTS ONLY: THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER SECTION 23-2-1-2 OF THE INDIANA SECURITIES LAW AND HAVE NOT BEEN REGISTERED UNDER SECTION 23-2-1-3. THEY CANNOT THEREFORE BE RESOLD UNLESS THEY ARE REGISTERED UNDER SAID LAW OR UNLESS AN EXEMPTION FORM REGISTRATION IS AVAILABLE. A CLAIM OF EXEMPTION UNDER SAID LAW HAS BEEN FILED, AND IF SUCH EXEMPTION IS NOT DISALLOWED SALES OF THESE SECURITIES MAY BE MADE. HOWEVER, UNTIL SUCH EXEMPTION IS GRANTED, ANY OFFER MADE PURSUANT HERETO IS PRELIMINARY AND SUBJECT TO MATERIAL CHANGE.

16. NOTICE TO IOWA RESIDENTS ONLY: IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED; THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

17. NOTICE TO KANSAS RESIDENTS ONLY: IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 81-5-6 OF THE KANSAS SECURITIES ACT AND MAY NOT BE RE-OFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

18. NOTICE TO KENTUCKY RESIDENTS ONLY: IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER RULE 808 OF THE KENTUCKY SECURITIES ACT AND MAY NOT BE RE-OFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

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19. NOTICE TO LOUISIANA RESIDENTS ONLY: IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER RULE 1 OF THE LOUISIANA SECURITIES LAW AND MAY NOT BE RE-OFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

20. NOTICE TO MAINE RESIDENTS ONLY: THE ISSUER IS REQUIRED TO MAKE A REASONABLE FINDING THAT THE SECURITIES OFFERED ARE A SUITABLE INVESTMENT FOR THE PURCHASER AND THAT THE PURCHASER IS FINANCIALLY ABLE TO BEAR THE RISK OF LOSING THE ENTIRE AMOUNT INVESTED.

THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION UNDER §16202(15) OF THE MAINE UNIFORM SECURITIES ACT AND ARE NOT REGISTERED WITH THE SECURITIES ADMINISTRATOR OF THE STATE OF MAINE.

THE SECURITIES OFFERED FOR SALE MAY BE RESTRICTED SECURITIES AND THE HOLDER MAY NOT BE ABLE TO RESELL THE SECURITIES UNLESS:

- (1) THE SECURITIES ARE REGISTERED UNDER STATE AND FEDERAL SECURITIES LAWS, OR
- (2) AN EXEMPTION IS AVAILABLE UNDER THOSE LAWS.

21. NOTICE TO MARYLAND RESIDENTS ONLY: IF YOU ARE A MARYLAND RESIDENT AND YOU ACCEPT AN OFFER TO PURCHASE THESE SECURITIES PURSUANT TO THIS MEMORANDUM, YOU ARE HEREBY ADVISED THAT THESE SECURITIES ARE BEING SOLD AS A TRANSACTION EXEMPT UNDER SECTION 11-602(9) OF THE MARYLAND SECURITIES ACT. THE SHARES HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF MARYLAND. ALL INVESTORS SHOULD BE AWARE THAT THERE ARE CERTAIN RESTRICTIONS AS TO THE TRANSFERABILITY OF THE SHARES.

22. NOTICE TO MASSACHUSETTS RESIDENTS ONLY: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE MASSACHUSETTS UNIFORM SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THIS OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

23. NOTICE TO MICHIGAN RESIDENTS ONLY: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER SECTION 451.701 OF THE MICHIGAN UNIFORM SECURITIES ACT (THE ACT) AND MAY BE TRANSFERRED OR RESOLD BY RESIDENTS OF MICHIGAN ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THE ACT, OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE INVESTMENT IS SUITABLE IF IT DOES NOT EXCEED 10% OF THE INVESTOR'S NET WORTH.

24. NOTICE TO MINNESOTA RESIDENTS ONLY: THESE SECURITIES BEING OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER CHAPTER 80A OF THE MINNESOTA SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED, OR

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OTHERWISE DISPOSED OF EXCEPT PURSUANT TO REGISTRATION, OR AN EXEMPTION THEREFROM.

25. NOTICE TO MISSISSIPPI RESIDENTS ONLY: THE SHARES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE MISSISSIPPI SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE MISSISSIPPI SECRETARY OF STATE OR WITH THE SECURITIES AND EXCHANGE COMMISSION. NEITHER THE SECRETARY OF STATE NOR THE COMMISSION HAS PASSED UPON THE VALUE OF THESE SECURITIES, OR APPROVED OR DISAPPROVED THIS OFFERING. THE SECRETARY OF STATE DOES NOT RECOMMEND THE PURCHASE OF THESE OR ANY OTHER SECURITIES. EACH PURCHASER OF THE SECURITIES MUST MEET CERTAIN SUITABILITY STANDARDS AND MUST BE ABLE TO BEAR AN ENTIRE LOSS OF THIS INVESTMENT. THE SECURITIES MAY NOT BE TRANSFERRED FOR A PERIOD OF ONE (1) YEAR EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER THE MISSISSIPPI SECURITIES ACT OR IN A TRANSACTION IN COMPLIANCE WITH THE MISSISSIPPI SECURITIES ACT.

26. FOR MISSOURI RESIDENTS ONLY: THE SECURITIES OFFERED HEREIN WILL BE SOLD TO, AND ACQUIRED BY, THE PURCHASER IN A TRANSACTION EXEMPT UNDER SECTION 4.G OF THE MISSOURI SECURITIES LAW OF 1953, AS AMENDED. THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF MISSOURI. UNLESS THE SECURITIES ARE SO REGISTERED, THEY MAY NOT BE OFFERED FOR SALE OR RESOLD IN THE STATE OF MISSOURI, EXCEPT AS A SECURITY, OR IN A TRANSACTION EXEMPT UNDER SAID ACT.

27. NOTICE TO MONTANA RESIDENTS ONLY: IN ADDITION TO THE INVESTOR SUITABILITY STANDARDS THAT ARE OTHERWISE APPLICABLE, ANY INVESTOR WHO IS A MONTANA RESIDENT MUST HAVE A NET WORTH (EXCLUSIVE OF HOME, FURNISHINGS AND AUTOMOBILES) IN EXCESS OF FIVE (5) TIMES THE AGGREGATE AMOUNT INVESTED BY SUCH INVESTOR IN THE SHARES.

28. NOTICE TO NEBRASKA RESIDENTS ONLY: IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER CHAPTER 15 OF THE NEBRASKA SECURITIES LAW AND MAY NOT BE RE-OFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

29. NOTICE TO NEVADA RESIDENTS ONLY: IF ANY INVESTOR ACCEPTS ANY OFFER TO PURCHASE THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 49:3-60(b) OF THE NEVADA SECURITIES LAW. THE INVESTOR IS HEREBY ADVISED THAT THE ATTORNEY GENERAL OF THE STATE OF NEVADA HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING AND THE FILING OF THE OFFERING WITH THE BUREAU OF SECURITIES DOES NOT CONSTITUTE APPROVAL OF THE ISSUE, OR SALE THEREOF, BY THE BUREAU OF SECURITIES OR THE DEPARTMENT OF LAW AND PUBLIC SAFETY OF THE STATE OF NEVADA. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. NEVADA ALLOWS THE SALE OF SECURITIES TO 25 OR FEWER PURCHASERS IN THE STATE WITHOUT REGISTRATION. HOWEVER,

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CERTAIN CONDITIONS APPLY, I.E., THERE CAN BE NO GENERAL ADVERTISING OR SOLICITATION AND COMMISSIONS ARE LIMITED TO LICENSED BROKER-DEALERS. THIS EXEMPTION IS GENERALLY USED WHERE THE PROSPECTIVE INVESTOR IS ALREADY KNOWN AND HAS A PRE-EXISTING RELATIONSHIP WITH THE COMPANY. (SEE NRS 90.530.11.)

30. NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE UNDER THIS CHAPTER HAS BEEN FILED WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

31. NOTICE TO NEW JERSEY RESIDENTS ONLY: IF YOU ARE A NEW JERSEY RESIDENT AND YOU ACCEPT AN OFFER TO PURCHASE THESE SECURITIES PURSUANT TO THIS MEMORANDUM, YOU ARE HEREBY ADVISED THAT THIS MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

32. NOTICE TO NEW MEXICO RESIDENTS ONLY: THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES DIVISION OF THE NEW MEXICO DEPARTMENT OF BANKING NOR HAS THE SECURITIES DIVISION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

33. NOTICE TO NEW YORK RESIDENTS ONLY: THIS DOCUMENT HAS NOT BEEN REVIEWED BY THE ATTORNEY GENERAL OF THE STATE OF NEW YORK PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE COMPANY HAS TAKEN NO STEPS TO CREATE AN AFTER MARKET FOR THE SHARES OFFERED HEREIN AND HAS MADE NO ARRANGEMENTS WITH BROKERS OF OTHERS TO TRADE OR MAKE A MARKET IN THE SHARES. AT SOME TIME IN THE FUTURE, THE COMPANY MAY ATTEMPT TO ARRANGE FOR INTERESTED BROKERS TO TRADE OR MAKE A MARKET IN THE SECURITIES AND TO QUOTE THE SAME IN A PUBLISHED QUOTATION MEDIUM, HOWEVER, NO SUCH ARRANGEMENTS HAVE BEEN MADE AND THERE IS NO ASSURANCE THAT ANY BROKERS WILL EVER HAVE SUCH AN INTEREST IN THE SECURITIES OF THE COMPANY OR THAT THERE WILL EVER BE A MARKET THEREFORE.

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34. NOTICE TO NORTH CAROLINA RESIDENTS ONLY: IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FORGOING AUTHORITIES HAVE NOT CONFIRMED ACCURACY OR DETERMINED ADEQUACY OF THIS DOCUMENT. REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

35. NOTICE TO NORTH DAKOTA RESIDENTS ONLY: THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

36. NOTICE TO OHIO RESIDENTS ONLY: IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 107.03(2) OF THE OHIO SECURITIES LAW AND MAY NOT BE RE-OFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

37. NOTICE TO OKLAHOMA RESIDENTS ONLY: THESE SECURITIES ARE OFFERED FOR SALE IN THE STATE OF OKLAHOMA IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION FOR PRIVATE OFFERINGS. ALTHOUGH A PRIOR FILING OF THIS MEMORANDUM AND THE INFORMATION HAS BEEN MADE WITH THE OKLAHOMA SECURITIES COMMISSION, SUCH FILING IS PERMISSIVE ONLY AND DOES NOT CONSTITUTE AN APPROVAL, RECOMMENDATION OR ENDORSEMENT, AND IN NO SENSE IS TO BE REPRESENTED AS AN INDICATION OF THE INVESTMENT MERIT OF SUCH SECURITIES. ANY SUCH REPRESENTATION IS UNLAWFUL.

38. NOTICE TO OREGON RESIDENTS ONLY: THE SECURITIES OFFERED HAVE BEEN REGISTERED WITH THE CORPORATION COMMISSION OF THE STATE OF OREGON UNDER PROVISIONS OF OAR 815 DIVISION 36. THE INVESTOR IS ADVISED THAT THE COMMISSIONER HAS MADE ONLY A CURSORY REVIEW OF THE REGISTRATION STATEMENT AND HAS NOT REVIEWED THIS DOCUMENT SINCE THE DOCUMENT IS NOT REQUIRED TO BE FILED WITH THE COMMISSIONER. THE INVESTOR MUST RELY ON THE INVESTOR'S OWN EXAMINATION OF THE COMPANY CREATING THE SECURITIES, AND THE TERMS OF THE OFFERING INCLUDING THE MERITS AND RISKS INVOLVED IN MAKING AN INVESTMENT DECISION ON THESE SECURITIES.

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39. NOTICE TO PENNSYLVANIA RESIDENTS ONLY: EACH PERSON WHO ACCEPTS AN OFFER TO PURCHASE SECURITIES EXEMPTED FROM REGISTRATION BY SECTION 203(d), DIRECTLY FROM THE ISSUER OR AFFILIATE OF THIS ISSUER, SHALL HAVE THE RIGHT TO WITHDRAW HIS ACCEPTANCE WITHOUT INCURRING ANY LIABILITY TO THE SELLER, UNDERWRITER (IF ANY) OR ANY OTHER PERSON WITHIN TWO (2) BUSINESS DAYS FROM THE DATE OF RECEIPT BY THE ISSUER OF HIS WRITTEN BINDING CONTRACT OF PURCHASE OR, IN THE CASE OF A TRANSACTION IN WHICH THERE IS NO BINDING CONTRACT OF PURCHASE, WITHIN TWO (2) BUSINESS DAYS AFTER HE MAKES THE INITIAL PAYMENT FOR THE SECURITIES BEING OFFERED. IF YOU HAVE ACCEPTED AN OFFER TO PURCHASE THESE SECURITIES MADE PURSUANT TO A PROSPECTUS WHICH CONTAINS A NOTICE EXPLAINING YOUR RIGHT TO WITHDRAW YOUR ACCEPTANCE PURSUANT TO SECTION 207(m) OF THE PENNSYLVANIA SECURITIES ACT OF 1972 (70 PS § 1-207(m)), YOU MAY ELECT, WITHIN TWO (2) BUSINESS DAYS AFTER THE FIRST TIME YOU HAVE RECEIVED THIS NOTICE AND A PROSPECTUS TO WITHDRAW FROM YOUR PURCHASE AGREEMENT AND RECEIVE A FULL REFUND OF ALL MONEYS PAID BY YOU. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A LETTER OR TELEGRAM TO THE ISSUER (OR UNDERWRITER IF ONE IS LISTED ON THE FRONT PAGE OF THE PROSPECTUS) INDICATING YOUR INTENTION TO WITHDRAW. SUCH LETTER OR TELEGRAM SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED SECOND BUSINESS DAY. IF YOU ARE SENDING A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO EVIDENCE THE TIME WHEN IT WAS MAILED. SHOULD YOU MAKE THIS REQUEST ORALLY, YOU SHOULD ASK WRITTEN CONFIRMATION THAT YOUR REQUEST HAS BEEN RECEIVED. NO SALE OF THE SECURITIES WILL BE MADE TO RESIDENTS OF THE STATE OF PENNSYLVANIA WHO ARE NON-ACCREDITED INVESTORS IF THE AMOUNT OF SUCH INVESTMENT IN THE SECURITIES WOULD EXCEED TWENTY (20%) OF SUCH INVESTOR'S NET WORTH (EXCLUDING PRINCIPAL RESIDENCE, FURNISHINGS THEREIN AND PERSONAL AUTOMOBILES). EACH PENNSYLVANIA RESIDENT MUST AGREE NOT TO SELL THESE SECURITIES FOR A PERIOD OF TWELVE (12) MONTHS AFTER THE DATE OF PURCHASE, EXCEPT IN ACCORDANCE WITH WAIVERS ESTABLISHED BY RULE OR ORDER OF THE COMMISSION. THE SECURITIES HAVE BEEN ISSUED PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENT OF THE PENNSYLVANIA SECURITIES ACT OF 1972. NO SUBSEQUENT RESALE OR OTHER DISPOSITION OF THE SECURITIES MAY BE MADE WITHIN 12 MONTHS FOLLOWING THEIR INITIAL SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION, EXCEPT IN ACCORDANCE WITH WAIVERS ESTABLISHED BY RULE OR ORDER OF THE COMMISSION, AND THEREAFTER ONLY PURSUANT TO AN EFFECTIVE REGISTRATION OR EXEMPTION.

40. NOTICE TO RHODE ISLAND RESIDENTS ONLY: THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE DEPARTMENT OF BUSINESS REGULATION OF THE STATE OF RHODE ISLAND NOR HAS THE DIRECTOR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

41. NOTICE TO SOUTH CAROLINA RESIDENTS ONLY: THESE SECURITIES ARE

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BEING OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE SOUTH CAROLINA UNIFORM SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE SOUTH CAROLINA SECURITIES COMMISSIONER. THE COMMISSIONER DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

42. NOTICE TO SOUTH DAKOTA RESIDENTS ONLY: THESE SECURITIES ARE BEING OFFERED FOR SALE IN THE STATE OF SOUTH DAKOTA PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SOUTH DAKOTA BLUE SKY LAW, CHAPTER 47-31, WITH THE DIRECTOR OF THE DIVISION OF SECURITIES OF THE DEPARTMENT OF COMMERCE AND REGULATION OF THE STATE OF SOUTH DAKOTA. THE EXEMPTION DOES NOT CONSTITUTE A FINDING THAT THIS MEMORANDUM IS TRUE, COMPLETE, AND NOT MISLEADING, NOR HAS THE DIRECTOR OF THE DIVISION OF SECURITIES PASSED IN ANY WAY UPON THE MERITS OF, RECOMMENDED, OR GIVEN APPROVAL TO THESE SECURITIES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

43. NOTICE TO TENNESSEE RESIDENT ONLY: IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD. EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

44. NOTICE TO TEXAS RESIDENTS ONLY: THE SECURITIES OFFERED HEREUNDER HAVE NOT BEEN REGISTERED UNDER APPLICABLE TEXAS SECURITIES LAWS AND, THEREFORE, ANY PURCHASER THEREOF MUST BEAR THE ECONOMIC RISK OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME BECAUSE THE SECURITIES CANNOT BE RESOLD UNLESS THEY ARE SUBSEQUENTLY REGISTERED UNDER SUCH SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. FURTHER, PURSUANT TO §109.13 UNDER THE TEXAS SECURITIES ACT, THE COMPANY IS REQUIRED TO APPRISE PROSPECTIVE INVESTORS OF THE FOLLOWING: A LEGEND SHALL BE PLACED, UPON ISSUANCE, ON CERTIFICATES REPRESENTING SECURITIES PURCHASED HEREUNDER, AND ANY PURCHASER HEREUNDER SHALL BE REQUIRED TO SIGN A WRITTEN AGREEMENT THAT HE WILL NOT SELL THE SUBJECT SECURITIES WITHOUT REGISTRATION UNDER APPLICABLE SECURITIES LAWS, OR EXEMPTIONS THEREFROM.

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45. NOTICE TO UTAH RESIDENTS ONLY: THESE SECURITIES ARE BEING OFFERED IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE UTAH SECURITIES ACT. THE SECURITIES CANNOT BE TRANSFERRED OR SOLD EXCEPT IN TRANSACTIONS WHICH ARE EXEMPT UNDER THE ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR IN A TRANSACTION WHICH IS OTHERWISE IN COMPLIANCE WITH THE ACT.

46. NOTICE TO VERMONT RESIDENTS ONLY: THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES DIVISION OF THE STATE OF VERMONT NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

47. NOTICE TO VIRGINIA RESIDENTS ONLY: IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION UNDER SECTION 13.1-514 OF THE VIRGINIA SECURITIES ACT AND MAY NOT BE RE-OFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

48. NOTICE TO WASHINGTON RESIDENTS ONLY: THE ADMINISTRATOR OF SECURITIES HAS NOT REVIEWED THE OFFERING OR PRIVATE PLACEMENT MEMORANDUM AND THE SECURITIES HAVE NOT BEEN REGISTERED IN RELIANCE UPON THE SECURITIES ACT OF WASHINGTON, CHAPTER 21.20 RCW, AND THEREFORE, CANNOT BE RESOLD UNLESS THEY ARE REGISTERED UNDER THE SECURITIES ACT OF WASHINGTON, CHAPTER 21.20 RCW, OR UNLESS AN EXEMPTION FROM REGISTRATION IS MADE AVAILABLE.

49. NOTICE TO WEST VIRGINIA RESIDENTS ONLY: IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 15.06(b)(9) OF THE WEST VIRGINIA SECURITIES LAW AND MAY NOT BE REOFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

50. NOTICE TO WISCONSIN RESIDENTS ONLY: IN ADDITION TO THE INVESTOR SUITABILITY STANDARDS THAT ARE OTHERWISE APPLICABLE, ANY INVESTOR WHO IS A WISCONSIN RESIDENT MUST HAVE A NET WORTH (EXCLUSIVE OF HOME, FURNISHINGS AND AUTOMOBILES) IN EXCESS OF THREE AND ONE-THIRD (3 1/3) TIMES THE AGGREGATE AMOUNT INVESTED BY SUCH INVESTOR IN THE SHARES OFFERED HEREIN.

51. FOR WYOMING RESIDENTS ONLY: ALL WYOMING RESIDENTS WHO SUBSCRIBE TO PURCHASE SHARES OFFERED BY THE COMPANY MUST SATISFY THE FOLLOWING MINIMUM FINANCIAL SUITABILITY REQUIREMENTS IN ORDER TO PURCHASE SHARES:

(1) A NET WORTH (EXCLUSIVE OF HOME, FURNISHINGS AND AUTOMOBILES) OF

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TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000); AND

(2) THE PURCHASE PRICE OF SHARES SUBSCRIBED FOR MAY NOT EXCEED TWENTY PERCENT (20%) OF THE NET WORTH OF THE SUBSCRIBER; AND

(3) "TAXABLE INCOME" AS DEFINED IN SECTION 63 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, DURING THE LAST TAX YEAR AND ESTIMATED "TAXABLE INCOME" DURING THE CURRENT TAX YEAR SUBJECT TO A FEDERAL INCOME TAX RATE OF NOT LESS THAN THIRTY-THREE PERCENT (33%).

IN ORDER TO VERIFY THE FOREGOING, ALL SUBSCRIBERS WHO ARE WYOMING RESIDENTS WILL BE REQUIRED TO REPRESENT IN THE SUBSCRIPTION AGREEMENT THAT THEY MEET THESE WYOMING SPECIAL INVESTOR SUITABILITY REQUIREMENTS.

During the course of the Offering and prior to any sale, each offeree of the Shares and his or her professional advisor(s), if any, are invited to ask questions concerning the terms and conditions of the Offering and to obtain any additional information necessary to verify the accuracy of the information set forth herein. Such information will be provided to the extent the Company possess such information or can acquire it without unreasonable effort or expense.

EACH PROSPECTIVE INVESTOR WILL BE GIVEN AN OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, MANAGEMENT OF THE COMPANY CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING AND TO OBTAIN ANY ADDITIONAL INFORMATION, TO THE EXTENT THE COMPANY POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORTS OR EXPENSE, NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION CONTAINED IN THIS MEMORANDUM. IF YOU HAVE ANY QUESTIONS WHATSOEVER REGARDING THIS OFFERING, OR DESIRE ANY ADDITIONAL INFORMATION OR DOCUMENTS TO VERIFY OR SUPPLEMENT THE INFORMATION CONTAINED IN THIS MEMORANDUM, PLEASE WRITE OR CALL:

Cole Martel – 2101 Cedar Springs Rd. Suite 1050, Dallas Texas 75201 (817) 914-3253

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Exhibits:

Exhibit A – Insured Liquidity Partners CFG I, LLC Operating Agreement

Exhibit B - Subscription Agreement

Exhibit C - Investor Suitability Questionnaire

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II. SUMMARY OF THE OFFERING

The following material is intended to summarize information contained elsewhere in this Limited Offering Memorandum (the "Memorandum"). This summary is qualified in its entirety by express reference to this Memorandum and the materials referred to and contained herein. Each prospective subscriber should carefully review the entire Memorandum and all materials referred to herein and conduct his or her own due diligence before subscribing for Membership Units.

A. The Company

Insured Liquidity Partners CFG I, LLC ("CFG I", or the "Company"), began operations in December 2014, with the purpose of purchasing revenue royalty interest in Coordinated Financial Group Inc. and certain of its affiliates. The Company may purchase certain revenue royalty interests in companies other than Coordinated Financial Group Inc. and its affiliates as required to facilitate the creation of new revenue streams for Coordinated Financial Group Inc. The Company's legal structure was formed as a limited liability company (LLC) under the laws of the State of Texas on December 10, 2014. Its principal offices are presently located at 2101 Cedar Springs Rd. Suite 1050, Dallas Texas 75201. The Company's telephone number is (214) 432-8277. The Managing Members of the Company are Urshel Metcalf, Patrick Howard and Insured Liquidity Partners LLC.

B. The Benefits of LLC Membership

The limited liability company (LLC) is a relatively new form of doing business in the United States (in 1988 all 50 states enacted LLC laws). The best way to describe an LLC is to explain what it is not. An LLC is not a corporation, a partnership nor is it a sole proprietorship. The LLC is a new hybrid that combines the characteristics of a corporate structure and a partnership structure. It is a separate legal entity like a corporation but it has entitlement to be treated as a partnership for tax purposes and therefore carries with it certain tax benefits for the investors.

The owners and investors are called *members* and can be virtually any entity including individuals (domestic or foreign), corporations, other LLCs, trusts, pension plans etc. Unlike corporate stocks and shares, members purchase membership units. *Members* who hold the majority of the membership units maintain controlling management of the LLC as specified in the LLC operating agreement.

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The primary advantage of an LLC is limiting the liability of its members. Unless personally guaranteed, members are not personally liable for the debts and obligations of the LLC. Additionally, “pass-through” or “flow-through” taxation is available, meaning that (generally speaking) the earnings of an LLC are not subject to double taxation unlike that of a “standard” corporation. However, they are treated like the earnings from partnerships, sole proprietorships and S corporations with an added benefit for all of its members. There is greater flexibility in structuring the LLC than is ordinarily the case with a corporation, including the ability to divide ownership and voting rights in unconventional ways while still enjoying the benefits of “pass-through” taxation. The limited liability company is becoming the entity of choice for business in every realm. Due to its flexibility and tax advantages for all of its members, it will continue to gain momentum as more and more people learn of its existence.

C. Operations

See Exhibit A - Insured Liquidity Partners CFG I, LLC Operating Agreement

D. Operating Agreement

Portions of the Insured Liquidity Partners CFG I Operating Agreement, included as a separate document, were prepared by the Company using assumptions, including several forward looking statements. Each prospective investor should carefully review the Operating Agreement in association with this Memorandum before purchasing Units. Management makes no representations as to the accuracy or achievability of the underlying assumptions and projected results contained herein.

E. The Offering

The Company is offering a minimum of 4 and a maximum of 20 Units at a price of \$50,000.00 per Unit, \$50,000.00 par value per unit. Upon completion of the Offering between 4 and 20 units will be outstanding. Each purchaser must execute a Subscription Agreement making certain representations and warranties to the Company, including such purchaser’s qualifications as an Accredited Investor as defined by the Securities and Exchange Commission in Rule 501(a) of Regulation D promulgated, or one of 35 Non-Accredited Investors that may be allowed to purchase Units in this offering. See “REQUIREMENTS FOR PURCHASERS” section.

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F. Risk Factors

See "RISK FACTORS" section in this Memorandum for certain factors that could adversely affect an investment in the Units. Those factors include, but are not limited to unanticipated obstacles to execution of the Operating Agreement and general economic factors.

G. Use of Proceeds

Proceeds from the sale of Units will be used to purchase royalty revenue interest from CFG Inc. and its affiliates and associates.

H. Minimum Offering Proceeds – No Escrow of Subscription Proceeds

The Company has set a minimum offering proceeds figure of \$200,000 (the "minimum offering proceeds") for this Offering. At least 4 Units must be sold for \$200,000 before such proceeds will be utilized by the Company. All proceeds from the sale of Units will be delivered directly to the Company.

I. Membership Units

Upon the sale of the maximum number of Units from this Offering, the number of issued and outstanding units of the Company's preferred limited membership interest will be held as follows:

Present Members	0%
New Members	100%

J. Registrar

The Company will serve as its own registrar and transfer agent with respect to its Membership Units.

K. Subscription Period

The Offering will terminate on the earliest of: (a) the date the Company, in its discretion, elects to terminate, or (b) the date upon which all Units have been sold, or (c) February 15, 2015, or such date as may be extended from time to time by the Company, but not later than 180 days thereafter (the "Offering Period").

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III. REQUIREMENTS FOR PURCHASERS

Prospective purchasers of the Units offered by this Memorandum should give careful consideration to certain risk factors described under "RISK AND OTHER IMPORTANT FACTORS" section and especially to the speculative nature of this investment and the limitations described under that caption with respect to the lack of a readily available market for the Units and the resulting long term nature of any investment in the Company. This Offering is available only to suitable Accredited Investors, or one of 35 Non-Accredited Investors that may be allowed to purchase Units, having adequate means to assume such risks and of otherwise providing for their current needs and contingencies should consider purchasing Units.

A. General Suitability Standards

The Units will not be sold to any person unless such prospective purchaser or his or her duly authorized representative shall have represented in writing to the Company in a Subscription Agreement that:

- a) The prospective purchaser has adequate means of providing for his or her current needs and personal contingencies and has no need for liquidity in the investment of the Units;
- b) The prospective purchaser's overall commitment to investments which are not readily marketable is not disproportionate to his, her, or its net worth and the investment in the Units will not cause such overall commitment to become excessive; and
- c) The prospective purchaser is an "Accredited Investor" (as defined below) suitable for purchase in the Units.
- d) Each person acquiring Units will be required to represent that he, she, or it is purchasing the Units for his, her, or its own account for investment purposes and not with a view to resale or distribution. See "SUBSCRIPTION FOR UNITS" section.

B. Accredited Investors

The Company will conduct the Offering in such a manner that Units may be sold only to "Accredited Investors" as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933 (the "Securities Act"), or to a maximum of 35 Non-Accredited Investors that may be allowed to purchase Units in this offering. In summary, a prospective investor will qualify as an "Accredited Investor" if he, she, or it meets any one of the following criteria:

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- a) Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase, exceeds \$1,000,000 excluding the value of the primary residence of such natural person;
- b) Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and who has a reasonable expectation of reaching the same income level in the current year;
- c) Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities and Exchange Act of 1934 (the "Exchange Act"); any insurance company as defined in Section 2(13) of the Exchange Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Company (SBIC) licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment advisor, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self directed plan, with investment decisions made solely by persons who are Accredited Investors;
- d) Any private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940;
- e) Any organization described in Section 501(c)(3)(d) of the Internal Revenue Code, corporation, business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;
- f) Any director or executive officer, or general partner of the issuer of the securities being sold, or any director, executive officer, or general partner of a general partner of that issuer;

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- g) Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Section 506(b)(2)(ii) of Regulation D adopted under the Act; and
- h) Any entity in which all the equity owners are Accredited Investors.

C. Other Requirements

No subscription for the Units will be accepted from any investor unless he is acquiring the Units for his own account (or accounts as to which he has sole investment discretion), for investment and without any view to sale, distribution or disposition thereof. Each prospective purchaser of Units may be required to furnish such information as the Company may require to determine whether any person or entity purchasing Units is an Accredited Investor, or select Non-Accredited Investor who may purchase Units.

IV. FORWARD LOOKING INFORMATION

Some of the statements contained in this Memorandum, including information incorporated by reference, discuss future expectations, or state other forward looking information. Those statements are subject to known and unknown risks, uncertainties and other factors, several of which are beyond the Company's control, which could cause the actual results to differ materially from those contemplated by the statements. The forward looking information is based on various factors and was derived using numerous assumptions. In light of the risks, assumptions, and uncertainties involved, there can be no assurance that the forward looking information contained in this Memorandum will in fact transpire or prove to be accurate.

Important factors that may cause the actual results to differ from those expressed within may include, but are not limited to:

The success or failure of the Company's efforts to successfully enable CFG Inc.'s to market its products as scheduled;

- The ability to attract, build, and maintain a customer base;
- The ability to attract and retain quality employees;
- The effect of changing economic conditions;
- The ability of the Company to inject adequate financing if only a fraction of this Offering is sold;

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These along with other risks, which are described under “RISK FACTORS” may be described in future communications to members. The Company makes no representation and undertakes no obligation to update the forward looking information to reflect actual results or changes in assumptions or other factors that could affect those statements.

V. RISK FACTORS

Investing in the Company’s Units is very risky. You should be able to bear a complete loss of your investment. You should carefully consider the following factors, including those listed in the accompanying business plan.

A. Development Stage Business

Insured Liquidity Partners CFG I, LLC commenced operations in December 2014, and is organized as a Limited Liability Company under the laws of the State of Texas. Accordingly, the Company has only a limited history upon which an evaluation of its prospects and future performance can be made. The Company’s proposed operations are subject to all business risks associated with new enterprises. The likelihood of the Company’s success must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with the expansion of a business, operation in a competitive industry, and the continued development of advertising, promotions and a corresponding customer base. There is a possibility that the Company could sustain losses in the future. There can be no assurances that Insured Liquidity Partners CFG I will even operate profitably.

B. Inadequacy of Funds

Gross offering proceeds of a minimum of \$200,000 and a maximum of \$1,000,000 may be realized. Management believes that such proceeds will capitalize and sustain Insured Liquidity Partners CFG I sufficiently to allow for the implementation of the Company’s Operating Agreement. If only a fraction of this Offering is sold, or if certain assumptions contained in Management’s Operating Agreement prove to be incorrect, the Company may have inadequate funds to fully develop its business and may need debt financing or other capital investment to fully implement the Company’s Operating Agreement.

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C. Dependence on Management

In the early stages of development the Company's business will be significantly dependent on the Company's management team. The Company's success will be particularly dependent upon: Urshel Metcalf, Coordinated Financial Group LLC. The loss of any one of these individuals or companies could have a material adverse effect on the Company. See "MANAGEMENT" section.

D. Risks Associated with Expansion

The Company plans on expanding CFG Inc.'s business through the introduction of a sophisticated market maker strategy. Any expansion of operations the Company may undertake will entail risks. Such actions may involve specific operational activities, which may negatively impact the profitability of the Company. Consequently, members must assume the risk that (i) such expansion may ultimately involve expenditures of funds beyond the resources available to the Company at that time, and (ii) management of such expanded operations may divert Management's attention and resources away from its existing operations, all of which factors may have a material adverse effect on the Company's present and prospective business activities.

E. Customer Base and Market Acceptance

While the Company believes its market maker strategy can further develop the existing customer base CFG, Inc, and develop a new customer base through the marketing and promotion, the inability of the Company to further develop such a customer base could have a material adverse effect. Although the Company believes that the CFG product matrix offer advantages over competitive companies and products, no assurance can be given that CFG Inc. market maker integration will attain a degree of market acceptance and penetration on a sustained basis or that it will generate revenues sufficient for sustained profitable operations.

F. Competition

CFG I has no competition due to its sole source and exclusive market maker relationship with CFG, Inc

G. Trend in Consumer Preferences and Spending

The Company's operating results may fluctuate significantly from period to period as a result of a variety of factors, including CFG, Inc purchasing patterns of customers, competitive pricing, debt service and principal reduction payments, and general economic conditions. There is no

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assurance that the Company will be successful in enabling CFG, Inc marketing any of its products, or that the revenues from the sale of such products will be significant. Consequently, the Company's revenues may vary by quarter, and the Company's operating results may experience fluctuations.

H. Risks of Borrowing

If CFG, Inc incur indebtedness, a portion of its cash flow will have to be dedicated to the payment of revenue royalty interest. Typical loan agreements also might contain restrictive covenants, which may impair CFG, Inc operating flexibility. Such loan agreements would also provide for default under certain circumstances, such as failure to meet certain financial covenants. A default under a loan agreement could result in the loan becoming immediately due and payable and, if unpaid, a judgment in favor of such lender which would be senior to the rights of members of the Company. A judgment creditor would have the right to foreclose on any of the Company's assets resulting in a material adverse effect on the Company's business, operating results or financial condition.

I. Unanticipated Obstacles to Execution of the Operating Agreement

The Company's operating agreement may change significantly. Many of the Company's potential business endeavors are capital intensive and may be subject to statutory or regulatory requirements. Management believes that the Company's chosen activities and strategies are achievable in light of current economic and legal conditions with the skills, background, and knowledge of the Company's principals and advisors. Management reserves the right to make significant modifications to the Company's stated strategies depending on future events.

J. Management Discretion as to Use of Proceeds

The net proceeds from this Offering will be used for the purposes described under "Use of Proceeds." The Company reserves the right to use the funds obtained from this Offering for other similar purposes not presently contemplated which it deems to be in the best interests of the Company and its members in order to address changed circumstances or opportunities. As a result of the foregoing, the success of the Company will be substantially dependent upon the discretion and judgment of Management with respect to application and allocation of the net proceeds of this Offering. Investors for the Units offered hereby will be entrusting their funds to the Company's Management, upon whose judgment and discretion the investors must depend.

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K. Control By Management

As of December, 2015 the Company's Managing Members owned approximately 100% of the Company's outstanding regular voting membership units. Upon completion of this Offering, the Company's Managing Members will own approximately 100% of then issued and outstanding

units, and will be able to continue to control CFG I. Investor members in the preferred limited membership interest have no voting rights but will have preference on liquidation or windup of the company. Investor members will not have the ability to control either a vote of the Company's Managing Members or any appointed officers. See "MANAGING MEMBERS" section.

L. Return of Profits

The Company intends to retain any initial future earnings to fund operations and expand the Company's business. A member will be entitled to receive revenue profits proportionate to the amount of units held by that member. The Company's Managing Members will determine a profit distribution plan based upon the Company's results of operations, financial condition, capital requirements, and other circumstances. See "DESCRIPTION OF SECURITIES" section.

M. No Assurances of Protection for Proprietary Rights; Reliance on Trade Secrets

In certain cases, the Company may rely on trade secrets to protect intellectual property, proprietary technology and processes, which the Company has acquired, developed or may develop in the future. There can be no assurances that secrecy obligations will be honored or that others will not independently develop similar or superior products or technology. The protection of intellectual property and/or proprietary technology through claims of trade secret status has been the subject of increasing claims and litigation by various companies both in order to protect proprietary rights as well as for competitive reasons even where proprietary claims are unsubstantiated. The prosecution of proprietary claims or the defense of such claims is costly and uncertain given the uncertainty and rapid development of the principles of law pertaining to this area. The Company, in common with other firms, may also be subject to claims by other parties with regard to the use of intellectual property, technology information and data, which may be deemed proprietary to others.

N. Dilution

Purchasers of Units will experience no dilution.

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O. Limited Transferability and Liquidity

To satisfy the requirements of certain exemptions from registration under the Securities Act, and to conform with applicable state securities laws, each investor must acquire his Units for investment purposes only and not with a view towards distribution. Consequently, certain conditions of the Securities Act may need to be satisfied prior to any sale, transfer, or other disposition of the Units. Some of these conditions may include a minimum holding period, availability of certain reports, including financial statements from CFG I, limitations on the percentage of Units sold and the manner in which they are sold. CFG I can prohibit any sale, transfer or disposition unless it receives an opinion of counsel provided at the holder's expense, in a form satisfactory to CFG I, stating that the proposed sale, transfer or other disposition will not result in a violation of applicable federal or state securities laws and regulations. No public market exists for the Units and no market is expected to develop. Consequently, owners of the Units may have to hold their investment indefinitely and may not be able to liquidate their investments in CFG I or pledge them as collateral for a loan in the event of an emergency.

P. Broker - Dealer Sales of Units

The Company's Membership Units are not presently included for trading on any exchange, and there can be no assurances that the Company will ultimately be registered on any exchange due to the fact that it is a limited liability company and not a corporation. The NASDAQ Stock Market, Inc. has recently enacted certain changes to the entry and maintenance criteria for listing eligibility on the NASDAQ SmallCap Market. The entry standards require at least \$4 million in net tangible assets or \$750,000 net income in two of the last three years. The proposed entry standards would also require a public float of at least \$1 million shares, \$5 million value of public float, a minimum bid price of \$2.00 per share, at least three market makers, and at least 300 shareholders. The maintenance standards (as opposed to entry standards) require at least \$2 million in net tangible assets or \$500,000 in net income in two of the last three years, a public float of at least 500,000 shares, a \$1 million market value of public float, a minimum bid price of \$1.00 per share, at least two market makers, and at least 300 shareholders.

No assurance can be given that the Membership Unit of the Company will ever qualify for inclusion on the NASDAQ System or any other trading market until such time as the Managing Members deem it necessary and the limited liability company is converted to a corporation. As a result, the Company's Membership Units are covered by a Securities and Exchange Commission rule that opposes additional sales practice requirements on broker-dealers who sell such securities

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to persons other than established customers and accredited investors. For transactions covered by the rule, the broker-dealer must make a special suitability determination for the purchaser and receive the purchaser's written agreement to the transaction prior to the sale. Consequently, the rule may affect the ability of broker-dealers to sell the Company's securities and will also affect the ability of members to sell their units in the secondary market.

Q. Long Term Nature of Investment

An investment in the Units is for three (3) years and illiquid. As discussed above, the offer and sale of the Units will not be registered under the Securities Act or any foreign or state securities laws by reason of exemptions from such registration, which depends in part on the investment intent of the investors. Prospective investors will be required to represent in writing that they are purchasing the Units for their own account for long-term investment and not with a view towards resale or distribution. Accordingly, purchasers of Units must be willing and able to bear the economic risk of their investment for an indefinite period of time. It is likely that investors will not be able to liquidate their investment in the event of an emergency.

R. No Current Market For Units

There is no current market for the Units offered in this private Offering and no market is expected to develop in the near future.

S. Compliance with Securities Laws

The Units are being offered for sale in reliance upon certain exemptions from the registration requirements of the Securities Act, applicable Texas Securities Laws, and other applicable state securities laws. If the sale of Units were to fail to qualify for these exemptions, purchasers may seek rescission of their purchases of Units. If a number of purchasers were to obtain rescission, CFG I would face significant financial demands, which could adversely affect CFG I as a whole, as well as any non-rescinding purchasers.

T. Offering Price

The price of the Units offered has been arbitrarily established by CFG I, considering such matters as the state of the Company's business development and the general condition of the industry in which it operates. The Offering price bears little relationship to the assets, net worth, or any other objective criteria of value applicable to CFG I.

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U. Lack of Firm Underwriter

The Units are offered on a “best efforts” basis by the Managing Members of CFG I without compensation and on a “best efforts” basis through certain FINRA registered broker-dealers, which enter into Participating Broker-Dealer Agreements with the Company. Accordingly, there is no assurance that the Company, or any FINRA broker-dealer, will sell the maximum Units offered or any lesser amount.

V. Projections: Forward Looking Information

Management has prepared projections regarding CFG I’ anticipated financial performance. The Company’s projections are hypothetical and based upon a presumed financial performance of the Company, the addition of a sophisticated and well funded marketing plan, and other factors influencing the business of CFG I. The projections are based on Management’s best estimate of the probable results of operations of the Company, based on present circumstances, and have not been reviewed by CFG I’ independent accountants. These projections are based on several assumptions, set forth therein, which Management believes are reasonable. Some assumptions upon which the projections are based, however, invariably will not materialize due the inevitable occurrence of unanticipated events and circumstances beyond Management’s control. Therefore, actual results of operations will vary from the projections, and such variances may be material. Assumptions regarding future changes in sales and revenues are necessarily speculative in nature. In addition, projections do not and cannot take into account such factors as general economic conditions, unforeseen regulatory changes, the entry into CFG I’s market of additional competitors, the terms and conditions of future capitalization, and other risks inherent to the Company’s business. While Management believes that the projections accurately reflect possible future results of CFG I’ operations, those results cannot be guaranteed.

W. General Economic Conditions

The financial success of the Company may be sensitive to adverse changes in general economic conditions in the United States, such as recession, inflation, unemployment, and interest rates. Such changing conditions could reduce demand in the marketplace for the Company’s products. Management believes that the impending growth of the market, mainstream market acceptance and the targeted product line of CFG, Inc will insulate the Company from excessive reduced demand. Nevertheless, CFG I has no control over these changes.

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VI. USE OF PROCEEDS

The Company seeks to raise minimum gross proceeds of \$200,000 and maximum gross proceeds of \$1,000,000 from the sale of Units in this Offering. The Company intends to apply these proceeds substantially as set forth herein, subject only to reallocation by Management in the best interests of the Company.

A. Sale of Equity

Category	Maximum Proceeds	Percentage of Total Proceeds	Minimum Proceeds	Percentage of Proceeds
Proceeds from Sale of Units	\$1,000,000	100%	\$200,000	100%

B. Offering Expenses & Commissions

Category	Maximum Proceeds	Percentage of Total Proceeds	Minimum Proceeds	Percentage of Proceeds
Offering Expenses (1)	\$10,000	1%	\$5,000	2.5%
Brokerage Commissions(2)	\$0	0%	\$0	0%
Total Offering Fees	\$10,000	1%	\$5,000	2.5%

C. Corporate Application of Proceeds

Category	Maximum Proceeds	Percentage of Total Proceeds	Minimum Proceeds	Percentage of Proceeds
Intellectual Property License	\$10,000	1.00%	\$2,000	1%
Royalty Interest Acquisition	\$890,000	89.00%	\$178,000	89%
Marketing	\$50,000	5.00%	\$10,000	5%
Corporate Expenses (1st Yr.)	\$40,000	4.00%	\$9,000	4%
Total Corporate Use	\$990,000	99.00%	\$198,000	99.00%

D. Total Use of Proceeds

Category	Maximum	Percentage of Total Proceeds	Minimum	Percentage of
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	Proceeds		Proceeds	Proceeds
Offering Expenses & Commissions	\$0	0%	\$0	0%
Corporate Application of Proceeds	\$10,000	1%	\$2,000	1%
Total Proceeds	\$1,000,000	100%	\$200,000	100%

Footnotes:

(1) Includes estimated memorandum preparation, filing, printing, legal, accounting and other fees and expenses related to the Offering.

(2) This Offering is being sold by the Managing Members of the Company. No compensatory sales fees or related commissions will be paid to such Managing Members. Registered broker or dealers who are members of the FINRA and who enter into a Participating Dealer Agreement with the Company may sell units. Such brokers or dealers may receive commissions up to ten percent (10%) of the price of the Units sold.

VII. MANAGEMENT

At the present time, one (1) individual and one (1) company are actively involved in the management of the Limited Liability Company. The Member Managers are:

- Urshel Metcalf – Voting Member
- CFG I - Manager

Urshel Metcalf – Voting Member

Insured Liquidity Partners CFG I LLC – Manager, Voting Member

Insured Liquidity Partners LLC is the general partner entity to all insured liquidity affiliated partnership.

VIII. MANAGEMENT COMPENSATION

There is no accrued compensation that is due any member of Management. Each Manager will be entitled to reimbursement of expenses incurred while conducting Company business. Each Manager may also be a member in the Company and as such will share in the profits of the Company when and if revenues are disbursed. Management reserves the right to reasonably

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increase their salaries assuming the business is performing profitably and Company revenues are growing on schedule. Any augmentation of these salaries will be subject to the profitability of the Business and the effect on the Business cash flows. Current and projected Management salaries for the next 12 months are:

Urshel Metcalf

None

Insured Liquidity Partners CFG I LLC

None

IX. BOARD OF ADVISORS

The Company has requested that a Board of Advisors be provided by Foundation O3, which includes highly qualified business and industry professionals. The Board of Advisors will advise the Management team in making appropriate decisions and taking effective action. However, the Board of Advisors will not be responsible for Management decisions and has no legal or fiduciary responsibility to the Company.

X. DILUTION

The purchasers of the Membership Units offered by this Memorandum will experience no dilution of their investments.

XI. CURRENT MEMBERS

The following table contains certain information as of December 15, 2014 as to the number of units beneficially owned by (i) each person known by the Company to own beneficially more than 5% of the Company's units, (ii) each person who is a Managing Member of the Company, (iii) all persons as a group who are Managing Members and/or Officers of the Company, and as to the percentage of the outstanding units held by them on such dates and as adjusted to give effect to this Offering.

Name	Position	Current %	Post Offering Maximum %
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Urhsel Metcalf	Voting Member	1%	1%
Insured Liquidity Partners CFG I, LLC	Manager	99%	99%

Footnotes:**XII. MEMBERSHIP UNIT OPTION AGREEMENTS**

There are no membership unit options applicable.

XIII. LITIGATION

The Company is not presently a party to any material litigation, nor to the knowledge of Management is any litigation threatened against the Company, which may materially affect the business of the Company or its assets.

XIV. DESCRIPTION OF UNITS

The Company is offering a minimum of 4 and a maximum of 20 Units at a price of \$50,000.00 per Unit, \$50,000 par value per unit. Upon completion of the Offering between 4 and 20 units will be outstanding. The units of ownership are equal in all respects, and upon completion of the Offering, the units will comprise the only representation of ownership that the Company will have issued and outstanding to date in the preferred limited membership interest, upon close of the Offering.

Units are not redeemable and do not have conversion rights. The Units currently outstanding are, and the Units to be issued upon completion of this Offering will be, fully paid and non-assessable.

In the event of the dissolution, liquidation or winding up of the Company, the assets then legally available for distribution to the members will be distributed ratably among such members in proportion to their units.

Members are only entitled to profit distributions proportionate to their units of ownership when and if declared by the Managing Members out of funds legally available therefore. The Company to date has not given any such profit distributions. Future profit distribution policies are subject

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to the discretion of the Managing Members and will depend upon a number of factors, including among other things, the capital requirements and the financial condition of the Company.

XV. TRANSFER AGENT AND REGISTRAR

The Company will act as its own transfer agent and registrar for its units of ownership.

XVI. PLAN OF PLACEMENT

The Units are offered directly by the Managing Members of the Company on the terms and conditions set forth in this Memorandum. FINRA brokers and dealers may also offer units. The Company is offering the Units on a “best efforts” basis. The Company will use its best efforts to sell the Units to investors. There can be no assurance that all or any of the Units offered, will be sold.

A. Escrow of Subscription Funds

There is no escrow.

After the minimum number of Units are sold, all subsequent proceeds from the sale of Units will be delivered directly to the Company and be available for its use. Subscriptions for Units are subject to rejection by the Company at any time.

B. How to Subscribe for Units

A purchaser of Units must complete, date, execute, and deliver to the Company the following documents, as applicable. All of which are included as part of the Investor Subscription Package:

- a) An Investor Suitability Questionnaire;
- b) An original signed copy of the appropriate Subscription Agreement;
- c) A Insured Liquidity Partners CFG I, LLC Operating Agreement; and
- d) A wire transfer or ACH to “Insured Liquidity Partners CFG I, LLC” in the amount of \$50,000.00 per Unit for each Unit purchased as called for in the Subscription Agreement (minimum purchase of 2 Units for \$100,000. The Company reserves the right to waive the minimum Unit purchase).

Purchasers of Units will receive an Investor Subscription Package containing an Investor Suitability Questionnaire and two copies of the Subscription Agreement.

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Subscribers may not withdraw subscriptions that are tendered to the Company (Florida, Georgia and Pennsylvania Residents See NASAA Legend in the front of this Memorandum for important information).

XVII. ADDITIONAL INFORMATION

Each prospective investor may ask questions and receive answers concerning the terms and conditions of this offering and obtain any additional information which the Company possesses, or can acquire without unreasonable effort or expense, to verify the accuracy of the information provided in this Memorandum. The principal executive offices of the Company are located at 2101 Cedar Springs Rd, Suite 1050, Dallas Texas 75201 (214) 432-8277.

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Exhibit A

Partnership Operating Agreement

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Exhibit B

Subscription Agreement