

# PIPEFUND<sup>TM</sup>

Standard Transaction Document

## Standard Escrow Terms

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This PipeFund Services Organization Standard Transaction Document (PST Document) is intended to facilitate expediency and consistency in transactions involving an offering of a public company's equity and/or equity-linked securities directly to purchasers. Parties to any transaction should consult with their legal counsel and any other advisers they deem appropriate prior to using this PST Document or engaging in any such transaction. PipeFund Services Organization, LLC (PSO) is not providing any legal advice or opinion in connection with this PST Document or its use in a particular transaction, disclaims any warranty, express or implied, concerning the use or license of this PST Document for any particular transaction, and shall not have any liability arising out of the use or inability to use this PST Document. This PST Document is the copyrighted property of RPITL, LLC and may not be reproduced, distributed or used (including any incorporation by reference) in any form without a valid license, and any unauthorized use is strictly prohibited. More information concerning the license or permitted use of this PST Document may be obtained at [www.pipefund.com](http://www.pipefund.com).

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### ARTICLE I INCORPORATION BY REFERENCE AND DEFINITIONS

**1.1 Incorporation by Reference.** This document shall be known as PipeFund Services Organization Standard Transaction Document (“**PST Document**”) ESC 8-10 (Standard Escrow Terms), which is available and accessible at [www.pipefund.com](http://www.pipefund.com). Any Escrow Agreement which incorporates this PST Document by reference shall be deemed to include all the terms, conditions and provisions of this PST Document as if stated directly in such Escrow Agreement; *provided, however*, that to the extent any of the terms, conditions or provisions of such Escrow Agreement (without such incorporation) contradict or conflict with any terms, conditions or provisions of this PST Document, such Escrow Agreement shall control.

**1.2 Defined Terms.** The following terms shall have the following meanings herein and in the Escrow Agreement unless otherwise agreed by the parties thereto:

- (a) “*Business Day*” means any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental action to close.
- (b) “*Company*” means such entity identified in and executing the Escrow Agreement as the “Company”, which is selling Securities to Purchaser(s) pursuant to the Securities Purchase Agreement.
- (c) “*Escrow Agent*” means such entity identified in and executing the Escrow Agreement as “Escrow Agent”.
- (d) “*Escrow Agreement*” means that certain Escrow Agreement entered into by and among the Company, the Escrow Agent and the Placement Agent (if any), which

may be specified in the Securities Purchase Agreement by date of execution thereof by the Escrow Agent.

- (e) “*Person*” means an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, pool, syndicate, sole proprietorship, unincorporated organization, governmental authority or agency or any other form of entity not specifically listed herein.
- (f) “*Placement Agent*” means, collectively, one or more broker-dealers registered under the Securities Exchange Act of 1934, as amended, which are identified in and executing the Escrow Agreement as “Placement Agent” and acting as a broker, agent and/or underwriter in connection with the transactions contemplated by the Securities Purchase Agreement.
- (g) “*Placement Agent Agreement*” means, collectively, any and all underwriting, placement agency or similar agreement(s) pursuant to which a Placement Agent acts as the Company’s placement agent, broker and/or underwriter and receives a fee in connection with the sale of the Securities under the Securities Purchase Agreement.
- (h) “*Purchaser*” means each Person who is a party to, and purchasing Securities pursuant to, the Securities Purchase Agreement as a “Purchaser” thereunder and such Purchaser’s successors, assigns and heirs (but not including any Person purchasing Securities (or securities issuable upon conversion, exercise or exchange of such Securities) from such Purchaser through any public trading market or exchange), including without limitation each Person who has prospectively executed the Securities Purchase Agreement as a “Purchaser” thereunder but whose subscription has not yet been irrevocably accepted by the Company.

- (i) “*Purchaser Closing Representative*” means such Person designated in the Escrow Agreement as the “Purchaser Closing Representative” for purposes of authorizing, on behalf of the Purchasers, the release or return of funds pursuant to the Escrow Agreement (which may be the Placement Agent, any Purchaser, any Purchaser’s(s’) counsel or any other Person not affiliated with the Company), provided that if no such Person is designated, then the Placement Agent party to the Escrow Agreement shall serve as the Purchaser Closing Representative.
- (j) “*Securities*” means any and all shares of common stock, shares of preferred stock, promissory notes, debentures, bonds, warrants, options and other securities contemplated to be purchased and sold pursuant to the Securities Purchase Agreement.
- (k) “*Securities Purchase Agreement*” means, collectively, one or more securities purchase agreements, subscription agreements or similar agreements relating to the purchase and sale of Securities entered into between the Company, on the one hand, and one or more Purchasers, on the other hand.
- (l) “*Subscription Amount*” means, as to each Purchaser, the aggregate dollar amount to be paid by such Purchaser for the Securities under the Securities Purchase Agreement.

## ARTICLE II DEPOSIT INTO ESCROW

**2.1 Establishment of Escrow Account.** The Escrow Agent shall establish a bank account (“**Escrow Account**”), with a bank reasonably acceptable to the Company, for the purpose of depositing, holding and distributing funds representing Subscription Amounts (“**Escrow Funds**”) received from Purchasers in accordance with the terms of the Escrow Agreement. The Escrow Account shall be non-interest bearing unless the Escrow Agent agrees otherwise in the Escrow Agreement, provided that the Escrow Agent may deposit the Escrow Funds in an interest bearing Escrow Account and retain any interest accrued thereon as additional fees for providing its services under the Escrow Agreement, unless the Escrow Agent agrees otherwise in writing.

**2.2 Offering Period.** The Company (or the Placement Agent on its behalf) shall notify the Escrow Agent of the date of commencement of the offering of the Securities and the date contemplated for termination of such offering, if any (as may be extended by notice to the Escrow Agent from the Company). The Escrow Agent shall not be required to accept any amounts for credit to or deposit into the Escrow Account prior to the commencement of such offering or after the termination of such offering.

### 2.3 Deposit into Escrow.

- (a) *Escrow Funds.* The Company (or the Placement Agent on its behalf) shall instruct each Purchaser to deliver its Subscription Amount to the Escrow Agent (i) by check made payable to the order of the Escrow Account (with such Purchaser’s name on such check), or (ii) by wire transfer of funds to the Escrow Account (with a text reference indicating such Purchaser’s name and the Company’s name).
- (b) *Purchaser Information.* Prior to or contemporaneously with delivery of any funds to the Escrow Agent or Escrow Account, the Company (or the Placement Agent on its behalf) shall furnish or cause to be furnished to the Escrow Agent a list containing the name of each Purchaser who is delivering funds to the Escrow Agent pursuant to Section 2.3(a) above (“**Subscription Summary**”), which Subscription Summary shall (i) be substantially in the form of Exhibit A attached hereto in a Microsoft Excel<sup>®</sup> spreadsheet, (ii) be updated and delivered upon or prior to each deposit of funds, and (iii) for each such Purchaser, contain the address of record and tax identification number (if any) for such Purchaser, the amount of Securities being subscribed for or purchased by such Purchaser, and the Subscription Amount being delivered to the Escrow Agent by or on behalf of such Purchaser. The Escrow Agent is authorized, with the consent of the Company not to be unreasonably withheld or delayed, but not obligated, to revise the Subscription Summary to reflect the actual Subscription Amounts received and the release of any Subscription Amounts pursuant to Article IV below.
- (c) *Deposit Updates.* Upon the reasonable request of the Company, the Placement Agent and/or the Purchaser Closing Representative, the Escrow Agent shall inform such Person (which may be by means of electronic mail) of the Escrow Funds received to date by the Escrow Agent and from which Purchaser(s). The Escrow Agent shall have no duty to verify whether the amounts or property received comport with the requirements of any other agreement.

**2.4 Escrow.** Upon receipt by the Escrow Agent, the Escrow Agent shall hold the Escrow Funds in escrow in accordance with the terms of the Escrow Agreement. The Escrow Agent shall have no duty to make any disbursement, investment or other use of the Escrow Funds except as set forth in the Escrow Agreement.

**2.5 Dishonored Checks.** Only checks which have cleared the banking system are required to be distributed under Article III below. If any checks deposited in the Escrow Account prove uncollectible, then the Company shall promptly reimburse the Escrow Agent for any and all costs incurred in connection therewith, and the Escrow Agent’s sole responsibility shall be to return such check to the Company, the Placement Agent or the drawer of such check, as applicable,

together with any documents which accompanied such check. The Escrow Agent shall not be under any duty or responsibility to enforce collection of any check delivered to it pursuant to the Escrow Agreement. In the event that any funds represented by an uncollectible check have been released by the Escrow Agent, the Company shall promptly reimburse the Escrow Agent for such funds, following which the Company shall be subrogated to the rights of the Escrow Agent, if any, with respect to such funds.

**2.6 Currency.** If the Escrow Agent agrees with the Company to accept funds in currency (“**Foreign Currency**”) other than the currency of the country or jurisdiction where the principal office of the Escrow Agent is located (“**Local Currency**”), then all funds deposited into or transferred to the Escrow Account in Foreign Currency shall be converted into Local Currency at the commercial exchange rate of the bank at which the Escrow Account is held as of the time of the conversion. All funds released or transferred by the Escrow Agent to any Person under the terms of the Escrow Agreement will be released or transferred in Local Currency regardless of whether they were received by the Escrow Agent in Foreign Currency. The Escrow Agent may delegate another banking institution to manage Foreign Currency accounts and transactions on its behalf.

### ARTICLE III **RELEASE FROM ESCROW**

#### **3.1 Refund to Purchasers.**

- (a) *Rejection of Subscription.* If at any time and from time to time prior to the release and disbursement of the Escrow Funds applicable to any Purchaser’s total Subscription Amount in accordance with Section 3.1(b) or Section 3.2 below, the Escrow Agent receives written notice from the Company and the Placement Agent (if any), substantially in the form of Exhibit B attached hereto (a “**Subscription Rejection Notice**”), to the effect that any or all of such Purchaser’s subscription has been rejected by the Company (due to such Purchaser not qualifying as an investor in the offering or otherwise at the discretion of the Company if so permitted) (“**Rejected Subscription**”), then the Escrow Agent shall promptly after receipt of such Subscription Rejection Notice refund to such Purchaser, in the manner set forth in Section 3.1(c) below, the amount of such Rejected Subscription which is then held in the Escrow Account (or which thereafter clears the banking system).
- (b) *Offering Terminated.* Subject to Sections 3.3 and 4.2 below, if the Escrow Agent receives written notice from the Company with a copy to the Placement Agent (or from the Placement Agent on its behalf with a copy to the Company), substantially in the form of Exhibit C attached hereto (an “**Offering Termination Notice**”), to the effect that the offering for the Securities has been terminated, then the Escrow Agent shall promptly after receipt of such Offering Termination Notice refund to each

Purchaser listed on the Subscription Summary, whose Subscription Amount has been received by the Escrow Agent but not yet released pursuant to Section 3.1(a) above or 3.2 below, the amount of funds received by the Escrow Agent from such Purchaser which is then held in the Escrow Account (or which thereafter clears the banking system) in the manner set forth in Section 3.1(c) below. The Escrow Agent shall notify the Company and Placement Agent of the distribution of such funds to the Purchasers.

- (c) *Refund Process.* Refunds by the Escrow Agent pursuant to this Section 3.1 shall be made by either (i) drawing a check on the Escrow Account for the amount of such refund and delivering it to such Purchaser, or (ii) transferring such refund by wire transfer back to the bank account from which such funds originated or such other bank account in the name of such Purchaser furnished to the Escrow Agent in writing by such Purchaser. Such refunds shall be paid without interest thereon or deduction therefrom (except in each case to the extent otherwise agreed or required by law) and shall be free and clear of any and all claims of the Escrow Agent. The Escrow Agent shall not be required to pay any uncollected funds pursuant to this Section 3.1 until such funds have been collected. The Placement Agent and the Company shall ensure that the Escrow Agent has been provided with each Purchaser’s correct address of record for the purpose of issuing any check pursuant to this Section 3.1(c).

**3.2 Closing.** Subject to Sections 3.3 and 4.2 below, on or within one (1) Business Day following the date on which the Escrow Agent receives written instructions substantially in the form of Exhibit D attached hereto (“**Joint Closing Instructions**”) (or such later date as may be designated therein as the closing date for the purchase and sale of the Securities), the Escrow Agent shall disburse and pay the Escrow Funds in accordance with such Joint Closing Instructions, *provided*, that (a) the Securities have been subscribed for and funds in respect thereof have been deposited with the Escrow Agent on or before 3:00PM New York time on the date such notice is received (or such later date as may be designated therein as the closing date for the purchase and sale of the Securities), and (b) no Offering Termination Notice shall have been delivered to the Escrow Agent, and *provided further*, that such Joint Closing Instructions shall include an instruction to pay the Escrow Fees from such Escrow Funds to the Escrow Agent to the extent such Escrow Fees have not previously been paid (unless other arrangements for payment of such Escrow Fees have been made with the Escrow Agent). Such disbursement and payment shall be made in federal or other immediately available funds and otherwise in the amounts and in the manner specified by the Company and Placement Agent in such Joint Closing Instructions (provided that payment to any Person may be subject to prior receipt by the Escrow Agent of such Person’s IRS Form W-9). The Joint Closing Instructions shall (i) be executed by the Company and the Purchaser Closing Representative, (ii) certify that all conditions for the purchase, sale and issuance of the Securities under the Securities

Purchase Agreement have been satisfied or waived, (iii) instruct the Escrow Agent to deliver the Escrow Funds to the Company and such other Persons as may be directed in such instructions, and (iv) contain the final Subscription Summary of the Purchasers as an exhibit thereto.

### 3.3 Release of Escrow Agent; Maximum Distribution.

Upon disbursement or refund of the Escrow Funds pursuant to the terms of the Escrow Agreement, the Escrow Agent shall be relieved of any further obligations under the Escrow Agreement and shall be relieved and released from any and all liabilities, responsibilities and obligations with respect to the Escrow Funds or Escrow Account or arising out of the Escrow Agreement, except for gross negligence or willful misconduct. It is expressly agreed and understood that in no event shall the aggregate amount of disbursements made by the Escrow Agent under the Escrow Agreement exceed the amount of the Escrow Funds.

## ARTICLE IV RIGHTS, DUTIES AND LIABILITY OF ESCROW AGENT

4.1 **Nature of Duties.** It is expressly understood and agreed that the duties of the Escrow Agent under the Escrow Agreement are purely and entirely administrative and ministerial in nature and not discretionary, it being understood that (a) the sole duties of the Escrow Agent, except to the extent otherwise set forth in the Escrow Agreement, shall be to receive, hold and release the Escrow Funds in accordance with the express terms of the Escrow Agreement, (b) the Escrow Agent shall not have any duty to deposit or to invest the Escrow Funds except as provided in the Escrow Agreement, (c) the Escrow Agent shall have no duties or responsibilities in connection with the Escrow Funds, other than those specifically set forth in the Escrow Agreement, and (d) no implied duties or obligations of any kind shall be read into the Escrow Agreement against or on the part of the Escrow Agent. The Escrow Agent does not have any interest in the Escrow Funds deposited under the Escrow Agreement, having only possession thereof as escrow agent only. None of the provisions of the Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability (financial or otherwise) in the performance of any of its duties thereunder or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

### 4.2 Liability of Escrow Agent.

(a) *Good Faith Reliance.* The Escrow Agent may in good faith (a) reasonably assume and believe the due execution, validity, genuineness and effectiveness of, and the truth and accuracy of, any notice, instruction, certificate, signature, request, waiver, consent, receipt, order, judgment, demand, opinion or advice of counsel, instrument, paper or other document presented to it and any information contained therein, and (b) rely

conclusively on and act upon such notice, instruction, certificate, signature, request, waiver, consent, receipt, order, judgment, demand, opinion or advice of counsel, instrument, paper or document, without any obligation to inquire into or investigate the authenticity, truth or accuracy thereof or the authority, capacity, existence or identity of any Person purporting to furnish or execute any such notice, instruction, certificate, signature, request, waiver, consent, receipt, order, judgment, demand, opinion or advice of counsel, instrument, paper or document. The Escrow Agent shall not incur any liability in acting upon any of the foregoing. The Escrow Agent may assume that any person reasonably purporting to have authority to give notices on behalf of any of the parties in accordance with the provisions of the Escrow Agreement has been duly authorized to do so. The Escrow Agent shall not be responsible or liable in any manner whatsoever for, or have any duty to inquire into, the sufficiency, correctness, genuineness or validity of the notices it receives under the Escrow Agreement, or the identity, authority or rights of any of the parties.

(b) *Court Instructions.* The Escrow Agent is obligated to act only in accordance with the Escrow Agreement and is expressly authorized, in its sole discretion, to comply with and obey any instructions, orders, judgments, demands, writs or decrees of any court or arbitration panel (whether or not any appeal thereof is pending), including without limitation any attachment, garnishment or levying of or against, or stay or injunction with respect to, the Escrow Funds. In case the Escrow Agent complies with or obeys any such instruction, order, judgment, demand, writ or decree, the Escrow Agent shall not be liable to any party to the Escrow Agreement or to any other Person as a result of such compliance or obedience or by reason of such instruction, order, judgment, demand, writ or decree being subsequently reversed, modified, annulled, set aside, vacated or found to have been entered without jurisdiction.

(c) *No Liability; Reliance on Counsel.* The Escrow Agent shall not incur any liability whatsoever for any action taken or omitted under the Escrow Agreement in good faith, for any mistake of fact or error of judgment or law, or for any other acts or omissions of any kind in good faith, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of willful misconduct or gross negligence. Without limiting the foregoing, the Escrow Agent shall be entitled to consult with counsel, accountants and other skilled persons of its own choice and may act in reliance upon advice or opinion of such counsel, accountants and/or other skilled persons in reference to any matter connected with the Escrow Agreement, and the Escrow Agent shall not be liable for any action taken, suffered or omitted by it in good faith in accordance with, or in reliance upon, the advice or opinion of any such counsel, accountants or other skilled persons. The Escrow Agent shall not be liable for any action taken, suffered or omitted to be taken



- by it except to the extent that a final adjudication of a court of competent jurisdiction determines that the Escrow Agent's gross negligence or willful misconduct was the primary cause of any loss to any party.
- (d) *No Consequential Damages.* In no event shall the Escrow Agent be liable, directly or indirectly, for special, incidental, punitive, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the possibility or likelihood of such loss or damage and regardless of the form of action.
- (e) *No Enforcement or Tax Filings.* The Escrow Agent shall not be responsible for the performance by the Company or the Placement Agent of such party's obligations under the Escrow Agreement. The Escrow Agent shall not be under any obligation to take any legal action in connection with the Escrow Agreement or towards its enforcement or performance, or to appear in, prosecute or defend any action or legal proceeding. The Escrow Agent also shall not be under any obligation to file any return, or pay or withhold any income or other tax payable with respect to any Escrow Funds or the disbursement thereof (any payment of or in respect of which shall constitute a Loss under Article VI), and the Placement Agent and the Company agree to provide to the Escrow Agent such information and documentation as the Escrow Agent may reasonably request in connection therewith.
- (f) *Other Agreements.* The Company and the Placement Agent acknowledge that the Escrow Agent is not a party to, has not reviewed and has not received a copy of the Placement Agent Agreement or the Securities Purchase Agreement and shall not be held responsible for any of the terms contained therein, provided that upon request of the Escrow Agent the Company shall furnish the Escrow Agent with a copy of the Securities Purchase Agreement. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of, nor have any requirements to comply with, nor have any duty to inquire into, and shall not be required to enforce, any of the terms or provisions of the Placement Agent Agreement, Securities Purchase Agreement or any other agreements, instruments or documents. The Escrow Agent shall not be required to determine if any Person has complied with any such agreements, nor shall any additional obligations of the Escrow Agent be inferred from the terms of such agreements, even though reference thereto may be made in the Escrow Agreement. If any of the terms or provisions of the Placement Agent Agreement, Securities Purchase Agreement or any other agreement or document conflict or are inconsistent with any of the terms or provisions of the Escrow Agreement, the terms and provisions of the Escrow Agreement in respect of Escrow Agent's rights and duties shall govern and control in all respects.
- (g) *Conflict; Interpleader.* If the Escrow Agent is uncertain as to its duties or rights under the Escrow Agreement or shall receive instructions with respect to the Escrow Account or the Escrow Funds which, in its sole determination, are in conflict either with other instructions received by it or with any provision of the Escrow Agreement, or if there occurs any disagreement relating to the Escrow Funds or the disbursement thereof resulting in adverse claims or demands being made in connection with the Escrow Funds, the Escrow Agent shall be entitled to refrain from taking any action and hold the Escrow Funds, or a portion thereof, in escrow pursuant to the Escrow Agreement pending the resolution of such uncertainty or conflict to the Escrow Agent's satisfaction in its sole discretion, which may be by (i) a final non-appealable order, decree or judgment of a court of competent jurisdiction regarding the proper disposition or (ii) a joint written letter of instruction from the Company and the Purchaser Closing Representative directing delivery of the Escrow Funds and removing any such uncertainty or conflict. Any such court order, decree or judgment shall be accompanied by a legal opinion by counsel for the presenting party satisfactory to the Escrow Agent to the effect that the order is final and non-appealable. The Escrow Agent shall act on such court order, decree or judgment and legal opinion without further question. The Company and the Placement Agent agree to pursue any redress or recourse in connection with any such dispute without making the Escrow Agent a party to the same. Alternatively, in such situation or in the event of any controversy between the Company, the Placement Agent and/or any Purchaser(s) with respect to the Escrow Agreement or Escrow Funds, the Escrow Agent may, in its sole discretion (A) make an *ex parte* application, or file an appropriate action in interpleader, with a court of competent jurisdiction seeking such determination or such declaratory relief as the Escrow Agent shall deem reasonably necessary under the circumstances and/or requiring the applicable parties to litigate any claims and rights among themselves, and (B) deliver and deposit the Escrow Funds to such court. Each party to the Escrow Agreement hereby irrevocably consents to any such action being brought in the Supreme Court of the State of New York, County of New York, and to the entering of an *ex parte* order, decree or judgment pursuant to all applicable laws, rules and procedures of the State of New York and such court. The Company agrees to reimburse and/or pay all out-of-pocket costs and expenses incurred by the Escrow Agent in connection with such interpleader action, including reasonable attorney's fees and expenses, and the Escrow Agent may retain from the Escrow Funds delivered pursuant to clause (B) above an amount equal to such costs and expenses to date and the Escrow Fees payable. Upon initiating any such interpleader action and delivering such funds to the court, the Escrow Agent shall be fully released and discharged of and from any and all obligations and liability under the Escrow Agreement. The Escrow Agent may, but shall not be obligated to, institute or defend any legal proceedings of any kind in

respect of the subject matter of the Escrow Agreement, and if the Escrow Agent elects to do so it may require indemnification to its satisfaction, in its sole discretion, against the costs and expenses of any such defense or legal proceedings.

- (h) *Waiver of Claims.* The Company and the Placement Agent hereby irrevocably waive and covenant not to bring any suit, claim, demand or cause of action of any kind which such party may have to assert against the Escrow Agent (or officer, director, employee, representative or independent contractor of the Escrow Agent) arising out of or relating to the performance by the Escrow Agent of the Escrow Agreement now or in the future, unless such suit, claim, demand or cause of action is based upon the willful misconduct or gross negligence of the Escrow Agent.

**4.3 Security Interest.** The Escrow Agent shall have no responsibility at any time to ascertain whether or not any security interest exists in the Escrow Account, the Escrow Funds or any part thereof or to file any financing statement under the Uniform Commercial Code or otherwise with respect to the Escrow Account, the Escrow Funds or any part thereof.

**4.4 Representatives.** The Escrow Agent may execute any of the trusts or powers, or perform any duties, under the Escrow Agreement either directly or through agents, attorneys, custodians or nominees appointed with due care. The Escrow Agent shall not be responsible for any willful misconduct or gross negligence on the part of any such agent, attorney, custodian or nominee so appointed, but shall be liable only for the Escrow Agent's gross negligence or willful misconduct (as finally adjudicated in a court of competent jurisdiction) in the selection of any such agent, attorney, custodian or nominee.

## ARTICLE V RESIGNATION OR REPLACEMENT OF ESCROW AGENT

**5.1 Resignation or Termination.** The Escrow Agent, and any successor Escrow Agent, shall have the right to resign as Escrow Agent under the Escrow Agreement for any reason or for no reason by giving written notice of its intention to so resign to the Company, the Placement Agent and the Purchaser Closing Representative at least ten (10) Business Days prior to such resignation. By mutual agreement, the Company and the Purchaser Closing Representative shall have the right, at any time upon not less than ten (10) Business Days prior written notice to the Escrow Agent, to terminate the appointment of the Escrow Agent, or any successor Escrow Agent, as escrow agent under the Escrow Agreement, provided that the Escrow Fees shall immediately become due and payable in full upon such termination.

**5.2 Appointment of Successor.** Promptly following receipt of any resignation notice or delivery of any termination notice pursuant to Section 5.1 above, the Company and the Purchaser Closing Representative shall jointly use their best efforts to

promptly locate and appoint a banking corporation, trust company or attorney as successor Escrow Agent which is independent of the Company and each Purchaser and does not provide significant services to the Company or any Purchaser, except that any legal counsel (whether or not representing the Company or any Purchaser) may serve as Escrow Agent and maintaining a bank account shall not be deemed a significant service or an affiliation. At such time that the Company and the Purchaser Closing Representative notify the Escrow Agent that a successor Escrow Agent has been appointed and has agreed to become subject to the terms of the Escrow Agreement, the Escrow Agent shall deliver and transfer to the successor Escrow Agent (a) the Escrow Funds then held by the Escrow Agent to such account or place designated by such successor Escrow Agent, and (b) copies of any records, reports or statements (including the Subscription Summary) relating to such Escrow Funds, whereupon (i) such successor Escrow Agent shall, without further act, become vested with all of the rights, powers and duties of the predecessor Escrow Agent as if originally named in the Escrow Agreement, and (ii) such predecessor Escrow Agent shall have no further obligations and be released from all liability under the Escrow Agreement. Without limiting the foregoing, the Company and the Placement Agent shall execute and deliver to the resigning Escrow Agent (with a copy to the successor Escrow Agent) a written instrument releasing the resigning Escrow Agent from all its obligations and liabilities under the Escrow Agreement in form and substance reasonably satisfactory to the resigning Escrow Agent.

**5.3 Failure to Appoint Successor.** If a successor Escrow Agent has not been appointed (and accepted such appointment) prior to the effective date of such resignation or termination, the Escrow Agent may either (a) refund and return the Escrow Funds in accordance with Section 3.1 above, as if the offering of the Securities had been terminated pursuant to Section 3.1(b) above, or (b) petition any court of competent jurisdiction to (i) appoint a successor independent Escrow Agent, (ii) permit the Escrow Funds to be deposited with such court, or (iii) grant other appropriate relief, which in each case shall be binding upon all parties to the Escrow Agreement to the extent granted. Upon such refund and return or such appointment, deposit or other relief pursuant to the preceding sentence, the Escrow Agent shall have no further obligations and be released from all liability under the Escrow Agreement.

**5.4 Merger or Consolidation.** Any corporation, partnership or other similar entity into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any corporation, partnership or other similar entity resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any corporation, partnership or other similar entity succeeding to the business of the Escrow Agent shall be the successor of the Escrow Agent under the Escrow Agreement without the execution or filing of any paper with any party to the Escrow Agreement or any further act on the part of any of the parties to the Escrow Agreement except where an instrument of transfer or assignment is required by

law to effect such succession, notwithstanding anything in this PST Document to the contrary.

## ARTICLE VI INDEMNIFICATION AND CONTRIBUTION

**6.1 Indemnification; Contribution.** The Company and the Placement Agent shall, jointly and severally, defend, protect, indemnify and hold harmless the Escrow Agent and each of its successors, assigns, directors, officers, partners, members, managers, shareholders, agents, representatives, attorneys, accountants, experts and employees of each of them, each Person who controls the Escrow Agent and the successors, assigns directors, officers, partners, members, managers, shareholders, agents, representatives, attorneys, accountants, experts and employees of each such controlling Person (collectively, “**Escrow Indemnitees**”) from and against any and all liabilities, obligations, damages, losses, claims, encumbrances, costs or expenses (including reasonable attorneys’ fees and expenses), penalties, fines, fees, charges, diminution in value, judgments, settlements, actions, suits, proceedings, litigation and investigations (any or all of the foregoing herein referred to as a “**Loss**”) (irrespective of whether any such Escrow Indemnitee is a party to any action for which indemnification under this Section is sought) incurred or suffered by such Escrow Indemnitee as a result of, arising out of or relating to (a) anything done or omitted by the Escrow Agent in the execution and performance of the Escrow Agreement or otherwise arising out of or resulting from the performance of obligations or transactions contemplated by the Escrow Agreement, including without limitation (i) any action brought or made against any Escrow Indemnitee by a third party, (ii) any tax reporting or withholding, (iii) the enforcement of any rights or remedies under or in connection with the Escrow Agreement, or (iv) as may arise by reason of any act, omission or error of the Escrow Indemnitees, (b) the Escrow Agent following any instructions or other directions, whether joint or singular, from the Company, the Placement Agent and/or the Purchaser Closing Representative, except to the extent that its following any such instruction or direction is expressly forbidden by the terms of the Escrow Agreement, or (c) any enforcement of this indemnification; *provided, however,* that this indemnification shall not be available to the extent such Losses are finally adjudicated by a court of competent jurisdiction to have been primarily caused by the gross negligence or willful misconduct of such Escrow Indemnitees. To the extent that the foregoing undertaking by the Company and the Placement Agent may be unenforceable for any reason, the Company and the Placement Agent shall make the maximum contribution to the payment and satisfaction of such Losses that is permissible under applicable law. In furtherance of the foregoing, the Escrow Agent is expressly authorized and directed, but shall not be obligated, to charge against and withdraw from the Escrow Funds for its own account or for the account of an Escrow Indemnitee any amounts due to the Escrow Agent or to an Escrow Indemnitee under this Article VI. The Company and the Placement Agent further agree that no Escrow Indemnitee shall have any liability to the Company or Placement Agent (or any Person asserting

claims on behalf of or in right of the Company or Placement Agent) as a result of or in connection with the transactions contemplated by the Escrow Agreement, except to the extent it is finally adjudicated by a court of competent jurisdiction that the Company or the Placement Agent incurred or suffered Losses primarily resulting from the Escrow Agent’s willful misconduct or gross negligence. The provisions of this Article VI shall survive any termination of the Escrow Agreement, whether by disbursement or refund of the Escrow Funds or otherwise, and any resignation, replacement or removal of the Escrow Agent.

**6.2 Conduct of Indemnification Proceedings for Third-Party Actions.** Each Person entitled to indemnification under this Article VI (an “**Indemnified Party**”) shall furnish written notice to the Person from whom indemnity is sought (the “**Indemnifying Party**”) promptly after such Indemnified Party has actual knowledge of any action as to which indemnity may be sought, *provided* that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Article VI, except and only if and to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have proximately and materially adversely prejudiced the Indemnifying Party, including without limitation material impairment in its ability to defend such action. The Indemnifying Party shall have the right to participate in such action and (to the extent the Indemnifying Party so desires) assume the defense thereof (jointly with any other Indemnifying Party similarly so notified) with counsel mutually and reasonably satisfactory to the Indemnifying Party and the Indemnified Party and with all fees and expenses incurred in connection with such defense payable by the Indemnifying Party. The Indemnifying Party shall keep the Indemnified Party fully apprised at all times as to the status of the defense or any settlement negotiations with respect to any action for which indemnification is sought under this Article VI. The Indemnified Party shall cooperate fully with the Indemnifying Party in connection with any negotiation or defense of any such action by the Indemnifying Party and shall furnish to the Indemnifying Party all information reasonably requested or required by the Indemnifying Party, and available to the Indemnified Party, that relates to such action. The Indemnified Party shall have the right to engage separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party has agreed in writing to pay such fees and expenses, (ii) the Indemnifying Party shall have failed to assume promptly the defense of such action and to employ counsel reasonably satisfactory to such Indemnified Party in such action, or (iii) in the reasonable judgment of such Indemnified Party, based upon advice of its counsel, a conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party. If such Indemnified Party notifies the Indemnifying Party in writing that it elects to engage separate counsel at the expense of the Indemnifying Party pursuant to clause (iii) of the



preceding sentence, then the Indemnifying Party shall not have the right to assume the defense of such action and the reasonable fees and expenses of one such separate counsel shall be at the expense of the Indemnifying Party. The Indemnifying Party shall not be liable for any settlement of any such action effected without its written consent, which consent shall not be unreasonably withheld or delayed. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, consent to entry of any judgment or effect any settlement or compromise with respect to any pending or threatened action in respect of which indemnification or contribution may be or has been sought under this Article VI (whether or not the Indemnified Party is an actual or potential party to such action) unless such judgment, settlement or compromise includes an unconditional release of such Indemnified Party from all liability with respect to all claims that are the subject matter of such action and does not impose any monetary or other obligation or restriction on the Indemnified Party. To the extent any indemnification as provided for under this Article VI is made, the Indemnifying Party shall be subrogated to the rights of the Indemnified Party with respect to third parties relating to the matter for which indemnification has been made.

**6.3 Indemnification Payment.** All Losses of the Indemnified Party subject to indemnification under this Article VI (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such action in a manner not inconsistent with this Article VI) shall be paid to the Indemnified Party, as incurred or as and when invoices in connection therewith are received (if earlier), within ten (10) Business Days of written notice thereof to the Indemnifying Party, *provided* that the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to third party actions to the extent it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such Indemnified Party is not entitled to indemnification under this Article VI.

#### ARTICLE VII COMPENSATION OF ESCROW AGENT

The Escrow Agent shall be entitled, as compensation for performing services as Escrow Agent under the Escrow Agreement, to the fees set forth on Schedule A to the Escrow Agreement (together with any other fees and expenses payable to PipeFund Services Organization, LLC in connection with the offering of the Securities, “**Escrow Fees**”), which Escrow Fees shall be paid by the Company as and when stated therein. In addition, the Company agrees to reimburse the Escrow Agent for any and all out-of-pocket expenses paid or incurred by the Escrow Agent in the administration of its duties under the Escrow Agreement, including all reasonable counsel, advisors’ and agents’ fees and disbursements and all taxes (excluding income taxes) or other governmental charges. Neither the modification, cancellation, termination or rescission of the Escrow Agreement nor the resignation or termination of the Escrow Agent shall affect the right of the Escrow Agent to retain the amount of any fee which has been paid, or to be

reimbursed or paid for any amount which has been incurred or becomes due, prior to the effective date of any such modification, cancellation, termination, resignation or rescission. To the extent the Escrow Agent has incurred any such expenses, or any such fee becomes due, on or prior to any closing of the purchase and sale of Securities, the Company shall pay such amounts prior to or at any such closing.

#### ARTICLE VIII SECURITY, ANTI-MONEY LAUNDERING AND TAX REPORTING PROCEDURES

**8.1 Security Procedures.** In the event funds transfer instructions are given (including Joint Closing Instructions but excluding instructions given in writing at the time of execution of the Escrow Agreement, as may be indicated therein), whether in writing, by facsimile or otherwise, the Escrow Agent is authorized to seek confirmation of such instructions by telephone call-back to the individual(s) designated on Schedule 1 attached to the Escrow Agreement, and the Escrow Agent may rely upon the confirmation of anyone reasonably purporting to be the individual(s) so designated. The individuals authorized to give and confirm funds transfer instructions may be changed only in a writing actually received and acknowledged by the Escrow Agent. If the Escrow Agent is unable to contact any of the authorized representatives identified on such Schedule 1, the Escrow Agent is hereby authorized to seek confirmation of such instructions by telephone call-back to any one or more of the executive officers of the Company, the Placement Agent or the Purchaser Closing Representative (as the case may be) as the Escrow Agent may select. Such executive officer shall deliver to the Escrow Agent a fully executed incumbency certificate, and the Escrow Agent may rely upon the confirmation of anyone reasonably purporting to be any such executive officer. The Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by the Company or the Placement Agent to identify the beneficiary, the beneficiary's bank or an intermediary bank. The Escrow Agent may apply any of the Escrow Funds for any payment order it executes using any such identifying number, even when its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. All funds transfer instructions must include the signature of the individual(s) authorizing such funds transfer, which shall be an individual who is designated to give funds transfer instructions as designated in Schedule 1. The parties to the Escrow Agreement acknowledge and agree that the security procedures contained in this Section are commercially reasonable.

**8.2 Patriot Act Disclosure.** The Company and the Placement Agent acknowledge that pursuant to Section 326 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (“**Patriot Act**”) and the Escrow Agent’s internal verification policies, the Escrow Agent is required to (a) implement reasonable procedures to verify the identity of any Person that opens a new account with it, and (b) obtain



information which may be used to verify such identity, including without limitation such Person's name, address and organizational documents ("**Identifying Information**"). The Company and the Placement Agent agree to provide the Escrow Agent with, and consent to the Escrow Agent obtaining from third parties, any such Identifying Information required as a condition of opening an account with or using any service provided by the Escrow Agent, including without limitation the Escrow Account and the escrow services contemplated by the Escrow Agreement. Without limiting the foregoing and notwithstanding anything contained herein, the release of any Escrow Funds may be subject to verification of the identity of the source of such funds and compliance with applicable law.

**8.3 Tax Identification and Reporting.** The parties to the Escrow Agreement shall provide the Escrow Agent with their respective fully executed Internal Revenue Service Form W-9 or Form W-8 and/or other required tax identification documentation. The Escrow Agent shall not be required to prepare any tax reporting at year end.

## ARTICLE IX MISCELLANEOUS

**9.1 Termination.** The Escrow Agreement shall automatically terminate upon (a) the disbursement or refund of all Escrow Funds pursuant to Article III above, or (b) the deposit of all Escrow Funds with the applicable court in an interpleader action in accordance with Section 4.2(g) or Section 5.3 above, in each case without any notices to any Person, unless earlier terminated pursuant to the terms of the Escrow Agreement. Section 3.3 and Articles IV through IX hereof shall survive expiration or any earlier termination of the Escrow Agreement and any resignation, removal or replacement of the Escrow Agent.

**9.2 Further Assurances.** From time to time on and after the date of the Escrow Agreement, the Company and the Placement Agent shall, and shall cause the Purchaser Closing Representative to, execute and deliver or cause to be executed and delivered to the Escrow Agent such further documents, certificates and instruments, and shall do or cause to be done and performed such further acts and things, as the Escrow Agent shall reasonably request in order to carry out more effectively the provisions and purposes of the Escrow Agreement, to evidence the Escrow Agent's compliance with the Escrow Agreement, or to assure the Escrow Agent that it is protected in acting under the Escrow Agreement.

**9.3 Entire Agreement; Modification.** The Escrow Agreement, together with any exhibits and schedules attached hereto and thereto, constitute the entire understanding and agreement of the parties thereto with respect to the subject matter thereof and supersede all negotiations, preliminary agreements and prior and contemporaneous discussions and understandings of the parties in connection with the subject matters thereof. Any exhibits and schedules attached hereto or to the Escrow Agreement are hereby incorporated into and made a part of the Escrow Agreement. No provision of the

Escrow Agreement may be amended, modified, supplemented or waived (in whole or in part) except in a written instrument signed (a) in the case of an amendment, by the Escrow Agent, the Company and the Placement Agent (if any), and (b) in the case of a waiver, by the party against whom enforcement of any such waiver is sought. No waiver of any breach or default with respect to any provision of the Escrow Agreement shall be deemed to constitute a continuing waiver in the future or a waiver of any subsequent default or a waiver of any breach or default with respect to any other provision thereof, nor shall any delay or omission of any party in exercising any right thereunder in any manner impair or prejudice the exercise of any such right.

**9.4 Assignment.** The Escrow Agreement shall be binding upon and shall inure to the benefit of the parties thereto and their respective legal representatives, heirs, successors and permitted assigns (each of which legal representatives, heirs, successors and assigns shall be deemed to be a party thereto for all purposes thereof) and the Purchasers, *provided* that any assignment or transfer by the Company or any Placement Agent of its rights under the Escrow Agreement or with respect to the Escrow Funds shall be void as against the Escrow Agent unless (a) prior written notice thereof shall be given to the Escrow Agent, (b) each assignee or transferee shall furnish to the Escrow Agent all anti-money laundering and Patriot Act questionnaires and other information and documentation reasonably requested by the Escrow Agent, and (c) the Escrow Agent shall have consented in writing to such assignment or transfer, not to be unreasonably withheld or delayed. Nothing in the Escrow Agreement, express or implied, is intended to confer upon any party, other than the parties thereto (and their respective legal representatives, heirs, successors and assigns), any rights, remedies, obligations or liabilities. A Person who is not a party to the Escrow Agreement shall have no right to enforce any term of the Escrow Agreement, and no Person shall be a third party beneficiary of the Escrow Agreement.

**9.5 Execution.** The Escrow Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement, it being understood that no parties need to sign the same counterpart. Any signature page of the Escrow Agreement may be executed and delivered (a) via facsimile transmission, or (b) via electronic mail delivery of a portable document format, tagged image format or other digital image format file (such as a ".pdf" or ".tif" file), provided that each party to the Escrow Agreement other than the Escrow Agent shall also furnish to the Escrow Agent an original executed copy of the Escrow Agreement. Any such execution and delivery of the Escrow Agreement shall constitute due execution and delivery by such party and shall, upon full execution of such agreement, create a valid and binding obligation of such party with the same force and effect as if such facsimile or digital image file signature page were an original executed signature page thereto.

**9.6 Notices.** Any and all notices, consents, waivers or other communications or deliveries required or permitted to be given to a party under the terms of the Escrow Agreement shall be:

- (a) in writing;
- (b) delivered by regular mail, overnight courier (charges prepaid), facsimile, electronic mail or personal hand delivery to the physical address, facsimile number or email address (and to the attention of the contact person or title) set forth on such party's signature page to the Escrow Agreement, *provided* that, notwithstanding the foregoing, in the event that the Escrow Agent, in its sole discretion, shall determine that an emergency exists, the Escrow Agent may use such other means of communication as the Escrow Agent reasonably deems appropriate; and
- (c) deemed to have been delivered and effective (i) upon receipt, if delivered personally by hand, (ii) the date of transmission, if delivered via facsimile or email prior to 3:00 p.m. Eastern (New York) time on a Business Day, (iii) the next Business Day after the date of transmission, if delivered via facsimile or email on a day that is not a Business Day or later than 3:00 p.m. Eastern (New York) time on any Business Day, (iv) the Business Day following deposit with an internationally recognized overnight courier service with charges prepaid, or (v) the fifth (5<sup>th</sup>) Business Day following deposit with the United States Postal Service, *provided* that, notwithstanding the foregoing, in the case of communications delivered to the Escrow Agent, such communications shall be deemed to have been given on the date received by the Escrow Agent.

Each party to the Escrow Agreement shall provide each other party thereto written notice of any change in the physical address, telephone number, facsimile number, email address or contact person of such party at least five (5) days prior to the effectiveness of such change.

#### 9.7 **Governing Law; Jurisdiction; Waiver of Jury Trial.**

All questions concerning the construction, validity, enforcement and interpretation of the Escrow Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of New York or such other state of jurisdiction as may be designated by the Escrow Agent in the Escrow Agreement, without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the laws of any other jurisdiction. Any and all legal proceedings concerning the interpretations, enforcement and defense of the Escrow Agreement shall be commenced in the state and federal courts sitting in New York County in the State of New York and/or such other jurisdiction(s) as may be set forth in the Escrow Agreement ("**Courts**"). Each party to the Escrow Agreement irrevocably submits to the jurisdiction of the Courts and/or such other jurisdiction(s) as may be set forth in the Escrow Agreement for the adjudication of any dispute under Escrow Agreement, and each such party irrevocably waives, and agrees not to assert in any action, to the fullest extent permitted by law, any claim that it is not personally subject to the jurisdiction of any such Court, that such action is brought in an inconvenient forum or that the

venue of such action is improper. Each party to the Escrow Agreement irrevocably waives personal service of process and consents to process being served in any such action by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under the Escrow Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained in the Escrow Agreement shall be deemed to limit in any way any right to serve process in any other manner permitted by law. EACH PARTY TO THE ESCROW AGREEMENT KNOWINGLY AND VOLUNTARILY IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED ON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THE ESCROW AGREEMENT.

9.8 **Headings.** The headings, titles and subtitles contained in the Escrow Agreement (including herein) are for convenience of reference only, do not constitute a part of the Escrow Agreement, and shall not limit or affect, or be considered in construing or interpreting, any of the provisions of the Escrow Agreement.

9.9 **Gender and Number.** Words and phrases used in the Escrow Agreement shall be construed as in the singular or plural number and as masculine, feminine or neuter gender, according to the context.

9.10 **Severability.** If any provision of the Escrow Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable under applicable law in whole or in part (a) the remainder of the provisions set forth therein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, (b) the parties thereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such provision, and (c) the validity, legality and enforceability of all the provisions of the Escrow Agreement in any other jurisdiction shall not be affected.

#### 9.11 **Disclosures.**

- (a) *Escrow Agent Name.* No printed or other matter in any language (including without limitation any registration statements, prospectuses, notices, reports and promotional material) which mentions the Escrow Agent's name or the rights, powers or duties of the Escrow Agent shall be issued by the Company or the Placement Agent or on such parties' behalf unless the Escrow Agent shall first have given its specific written consent thereto. The Escrow Agent hereby consents to the use of its name and the reference to the escrow arrangement contemplated in the Escrow Agreement in the Securities Purchase Agreement and Placement Agent Agreement.
- (b) *PipeFund.* The Company and the Placement Agent agree that:

- (i) in order to facilitate the closing of the purchase and sale of the Securities, the Escrow Agent may disclose and furnish all information concerning the Escrow Funds to PipeFund Services Organization or such other Person serving as documents escrow agent for the receipt, holding and release of the Securities in connection with the closing under the Securities Purchase Agreement, including without limitation the Subscription Summary, any Joint Closing Instructions or other funds transfer instructions, any Subscription Rejection Notice, any Offering Termination Notice, and any information concerning deposits into and disbursements from the Escrow Account; and
- (ii) the Escrow Agent may disclose and furnish to PipeFund Services Organization a copy of the fully executed Escrow Agreement for posting on the transaction portal established by such organization on [www.pipefund.com](http://www.pipefund.com) for the transactions contemplated by the Securities Purchase Agreement.

9.12 **Force Majeure.** No party to the Escrow Agreement shall be liable to any other party for Losses due to, or if it is unable to perform its obligations under the terms of the Escrow Agreement because of, acts of God, fire, war, terrorism, fire, floods, strikes, electrical outages, equipment or transmission failure, or other causes reasonably beyond its control.

***[Exhibits A through D on Following Pages]***

\* \* \* \* \*

**SUBSCRIPTION SUMMARY\***

Name and Address of Purchaser	Tax Identification Number	Subscription Amount	Securities		Receipt Confirmed by Escrow Agent
			Number of Common / Preferred Shares or Principal Amount of Notes	Number of Warrants	

\* Preferred in Microsoft Excel® spreadsheet.



FORM OF SUBSCRIPTION REJECTION NOTICE

Date: \_\_\_\_\_

Escrow Agent: \_\_\_\_\_

Escrow Agent Contact: \_\_\_\_\_

Escrow Agent Address: \_\_\_\_\_

\_\_\_\_\_

Escrow Agent Fax: \_\_\_\_\_

Escrow Agent Email: \_\_\_\_\_

RE: [Company Name]/Account Number \_\_\_\_\_

Dear Sir or Madam:

Pursuant to Section 3.1(a) of PST Document ESC incorporated by reference into that certain Escrow Agreement dated as of \_\_\_\_\_, 20\_\_ (“**Escrow Agreement**”) among \_\_\_\_\_, a \_\_\_\_\_ corporation (“**Company**”), [\_\_\_\_\_, as Placement Agent therein,] and \_\_\_\_\_, as Escrow Agent therein (“**Escrow Agent**”), the Company hereby notifies the Escrow Agent that the following subscription(s) have been rejected:

Name and Address of Purchaser	Securities Subscription Rejected		Rejected Subscription Amount
	Number of Common / Preferred Shares or Principal Amount of Notes Rejected	Number of Warrants Rejected	
			\$
			\$
			\$

Please return the Rejected Subscription Amount to the named Purchaser in accordance with Section 3.1(c) of the Escrow Agreement.

Very truly yours,

[COMPANY]

[PLACEMENT AGENT]

By: \_\_\_\_\_  
 Name:  
 Title:

By: \_\_\_\_\_  
 Name:  
 Title:

FORM OF OFFERING TERMINATION NOTICE

Date: \_\_\_\_\_

Escrow Agent: \_\_\_\_\_

Escrow Agent Contact: \_\_\_\_\_

Escrow Agent Address: \_\_\_\_\_

\_\_\_\_\_

Escrow Agent Fax: \_\_\_\_\_

Escrow Agent Email: \_\_\_\_\_

RE: [Company Name]/Account Number \_\_\_\_\_

Dear Sir or Madam:

Pursuant to Section 3.1(b) of PST Document ESC incorporated by reference into that certain Escrow Agreement dated as of \_\_\_\_\_, 20\_\_ (“**Escrow Agreement**”) among \_\_\_\_\_, a \_\_\_\_\_ corporation (“**Company**”), [\_\_\_\_\_, as Placement Agent therein,] and \_\_\_\_\_, as Escrow Agent therein (“**Escrow Agent**”), the Company hereby notifies the Escrow Agent that the offering of the Securities (as defined in the Escrow Agreement) has been terminated and directs the Escrow Agent to make payments to the Purchasers (as defined in the Escrow Agreement) as provided for in Sections 3.1(b) and 3.1(c) of the Escrow Agreement.

Very truly yours,

[COMPANY]

By: \_\_\_\_\_

Name:

Title:

Cc: [Placement Agent]

FORM OF JOINT CLOSING INSTRUCTIONS<sup>1</sup>

Date: \_\_\_\_\_

Escrow Agent: \_\_\_\_\_

Escrow Agent Contact: \_\_\_\_\_

Escrow Agent Address: \_\_\_\_\_

\_\_\_\_\_

Escrow Agent Fax: \_\_\_\_\_

Escrow Agent Email: \_\_\_\_\_

RE: [Company Name]/Account Number \_\_\_\_\_

Dear Sir or Madam:

Pursuant to Section 3.2 of PST Document ESC incorporated by reference into that certain Escrow Agreement dated as of \_\_\_\_\_, 20\_\_ (“**Escrow Agreement**”) among \_\_\_\_\_, a \_\_\_\_\_ corporation (“**Company**”), [\_\_\_\_\_, as Placement Agent therein,] and \_\_\_\_\_, as Escrow Agent therein (“**Escrow Agent**”), the Company hereby certifies that it (a) has received subscriptions for the Securities totaling [\$\_\_\_\_\_] and (b) will, subject to and in accordance with the terms of the Placement Agent Agreement and the Securities Purchase Agreement, sell and deliver the Securities to the Purchaser(s) at a closing to be held [today] [on \_\_\_\_\_, 20\_\_] (the “**Closing Date**”). Initially capitalized terms used in these Joint Closing Instructions but not defined herein shall have the meanings ascribed to them in the Escrow Agreement. The names of the Purchasers, amount of Securities subscribed for by each of such Purchasers and the related Subscription Amounts are set forth on Schedule I annexed hereto.

Each of the Company and the undersigned Purchaser Closing Representative hereby represent, warrant and agree that (a) all conditions for the purchase, sale and issuance of the Securities under the Securities Purchase Agreement have been satisfied or waived, (b) such Purchaser Closing Representative has been duly designated as the Purchaser Closing Representative for purposes of authorizing, on behalf of the Purchasers, the release or return of funds pursuant to the Escrow Agreement, and (c) such Purchaser Closing Representative agrees to be bound by, but not be entitled to any of the benefits of, the Escrow Agreement (except to the extent such Purchaser Closing Representative is the Placement Agent thereunder).

Pursuant to the Escrow Agreement, the undersigned hereby jointly irrevocably authorize, instruct and direct the Escrow Agent to release and pay the Escrow Funds from the Escrow Account to the Person(s) set forth below on the Closing Date, with the amount to be paid to each Person (and the manner in which to pay each Person) set forth beside such Person’s name set forth below:

<u><b>Name</b></u>	<u><b>Payment Manner and Place<sup>2</sup></b></u>	<u><b>Amount</b></u>
[Company]		[Net Proceeds]
[Placement Agent]		[Placement Fee]

<sup>1</sup> Form of Joint Closing Instructions available in Microsoft® Office Word at www.pipefund.com.

<sup>2</sup> Indicate whether by wire transfer or check, together with wire transfer instructions or address, as applicable.

[Counsel]

[Legal Fees]

[Escrow Agent]

[Escrow Fees]

[Other]

[Other Fees/Expenses]

**Total:**

\_\_\_\_\_  
\$ \_\_\_\_\_  
=====

These Joint Closing Instructions may be executed in two counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. A facsimile or electronic copy of these Joint Closing Instructions shall be sufficient for all purposes under the Escrow Agreement.

Very truly yours,

**COMPANY:**

**PURCHASER CLOSING REPRESENTATIVE<sup>3</sup>:**

\_\_\_\_\_  
*(Print Name of Company)*

\_\_\_\_\_  
*(Print Name of Purchaser Closing Representative)*

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

Print Title: \_\_\_\_\_

Describe Relationship to Purchasers:

\_\_\_\_\_

<sup>3</sup> Purchaser Closing Representative and its signature must match the name and specimen signature provided in the Escrow Agreement.



**SCHEDULE I**

**SUBSCRIPTION SUMMARY\***

Name and Address of Purchaser	Subscription Amount	Securities	
		Number of Common / Preferred Shares or Principal Amount of Notes	Number of Warrants

\* Preferred in Microsoft Excel® spreadsheet.