

PIPEFUNDTM
Standard Transaction Document
Standard Note Terms

This PipeFund Services Organization Standard Transaction Document (PST Document) is intended to facilitate expediency and consistency in transactions involving a private investment in a public company's equity and/or equity-linked securities (PIPE) or an offering of a public company's equity and/or equity-linked securities directly to purchasers pursuant to an effective registration statement under the Securities Act (RD). Parties to any PIPE or RD 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 PIPE or RD transaction, disclaims any warranty, express or implied, concerning the use or license of this PST Document for any particular PIPE or RD 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.

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**”) CN 8-10 (Standard Note Terms), which is available and accessible at www.pipefund.com. Any Note 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 Note; *provided, however*, that to the extent any of the terms, conditions or provisions of such Note (without such incorporation) contradict or conflict with any terms, conditions or provisions of this PST Document, such Note shall control.

1.2 Defined Terms. Each initially capitalized term used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Note or in PipeFund Services Organization Standard Transaction Document GTC 8-10 or DEF 8-10, each available and accessible at www.pipefund.com.

1.3 Note Series. If the Note is one of a series of Notes issued pursuant to the Securities Purchase Agreement, then the holders thereof (including the Holder) shall be referred to herein collectively as the “**Holders**”. The Note shall rank *pari passu* with all other Notes.

ARTICLE II
PAYMENTS AND INTEREST

2.1 Manner of Payment. The Company shall make all principal, interest and other payments due under the Note in

accordance with the terms of the Note. Except to the extent otherwise set forth in the Note, all payments of principal, interest, damages and expenses under the Note (to the extent not converted into, exchanged for or otherwise paid in Common Stock in accordance with the terms of the Note) shall be made in lawful money of the United States of America to the Holder in whose name the Note is registered in the Note Register (as defined below). Such payments shall be made by wire transfer of immediately available funds to the account such Holder may from time to time designate by written notice in accordance with the provisions of the Note or by Company check, without any deduction, withholding or offset for any reason whatsoever except to the extent required by law, and the Company represents that to its knowledge no deduction, withholding or offset is so required for any tax or any other reason. Whenever any amount expressed to be due by the terms of the Note is due on any day which is not a Business Day, such amount shall instead be due on the next succeeding day which is a Business Day.

2.2 Application. Unless otherwise agreed by the Holder or required by applicable law, payments will be applied first to any unpaid collection costs, then to unpaid interest and fees, and any remaining amount to principal.

2.3 No Prepayment. Except to the extent otherwise specifically permitted or required under the Note, the Note may not be prepaid or redeemed in whole or in part.

2.4 Interest Payments. The payment of the amount of all accrued and unpaid interest under the Note as of an Interest Payment Date (“**Interest Amount**”) shall be made in cash, unless the Note expressly permits payment of the Interest Amount in shares of Common Stock.

- (a) *Interest Payment Notice.* If the Note so permits payment of any Interest Amount in shares of Common Stock, then prior to each Interest Payment Date the Company shall deliver to the Holder an irrevocable written notice electing to pay the Interest Amount payable thereon in cash or Common Stock (or a combination thereof, if so expressly permitted under the Note, in which case such notice shall specify the amount payable in cash). Such notice shall be delivered at least ten (10) Trading Days prior to the applicable Interest Payment Date but no more than thirty-one (31) days prior to such Interest Payment Date. If such notice is not delivered within the prescribed period set forth in the preceding sentence, then the Interest Amount shall be paid in cash on such Interest Payment Date. All Holders of Notes shall be treated the same with respect to the Company's election to pay any Interest Amount in cash or stock (or a combination thereof, if so permitted, in which case the percentage paid in cash shall be the same for all Holders).
- (b) *Cash Interest Payment.* To the extent the Company elects or is required to pay the Interest Amount in cash on any Interest Payment Date, then on such date the Company shall pay to the Holder in satisfaction of such obligation an amount equal to such Interest Amount due (or such portion thereof as may be timely elected to be paid in cash, if a combination of cash and stock payment is permitted).
- (c) *Stock Interest Payment.* To the extent the Company elects to pay the Interest Amount in shares of Common Stock on any Interest Payment Date, subject to the terms of the Note, the number of such shares to be issued as and for such interest payment shall be equal to (i) such Interest Amount due (or such portion thereof as may be timely elected to be paid in stock, if a combination of cash and stock payment is permitted, and together with any premium amount which may be required under the Note), divided by (y) the Interest Conversion Price (as defined and set forth in the Note) determined as of such Interest Payment Date. Such shares shall be issued and delivered within three (3) Trading Days following such Interest Payment Date and shall be duly authorized, validly issued, fully paid, non-assessable and free and clear of all encumbrances, restrictions and legends. If the Holder does not receive the requisite number of shares of Common Stock in the form required above within such three Trading Day period, the Holder shall have the option of either (a) requiring the Company to issue and deliver all or a portion of such shares or (b) canceling such election to pay in Common Stock (in whole or in part), in which case the Company shall immediately pay such Interest Amount due under the Note in cash (or such portion as the Holder specifies is to be paid in cash instead of stock). Any payment of the Interest Amount in shares of Common Stock pursuant to the terms of the Note (including herein) shall constitute and be deemed a conversion of interest under the Note for all purposes and such shares shall constitute Conversion Shares and be issued in accordance with the terms of the Note regarding conversion (except that such conversion shall be at the Interest Conversion Price and except as otherwise provided in the Note, including herein).
- (d) *Limitations to Interest Payment in Common Stock.* Notwithstanding anything to the contrary contained herein, the Company shall be prohibited from exercising its right to pay any Interest Amount in shares of Common Stock (and must deliver cash in respect thereof) on the applicable Interest Payment Date:
- (i) if, at any time from the tenth (10th) Trading Day immediately preceding the applicable Interest Payment Date through the date the Holder receives the applicable Common Stock, any of the Equity Conditions fails to be satisfied or an Event of Default under the Note exists or occurs, unless otherwise waived in writing by the Holder in whole or in part at the Holder's option; and
 - (ii) to the extent, and only to the extent, that such issuance of shares of Common Stock would result in the Holder exceeding the Holder's Beneficial Ownership Limitation or Maximum Share Issuance Allocation, if any, contained in Section 3.3 below.
- 2.5 Amortization Payments.** If the Note requires the Company to repay any principal under the Note to the Holder on one or more dates (each an "**Amortization Payment Date**") prior to the Maturity Date (as defined and set forth in the Note), then the payment of such principal amount, together with all accrued and unpaid interest on such principal amount (plus any Liquidated Damages unless otherwise specified in the Note) ("**Amortization Amount**") shall be made in cash, unless the Note expressly permits payment of the Amortization Amount in shares of Common Stock.
- (a) *Amortization Payment Notice.* If the Note so permits payment of any Amortization Amount in shares of Common Stock, then prior to each Amortization Payment Date the Company shall deliver to the Holder an irrevocable written notice electing to pay the Amortization Amount payable thereon in cash or Common Stock (or a combination thereof, if so expressly permitted under the Note, in which case such notice shall specify the amount payable in cash). Such notice shall be delivered at least ten (10) Trading Days prior to the applicable Interest Payment Date but no more than thirty-one (31) days prior to such Amortization Payment Date. If such notice is not delivered within the prescribed period set forth in the preceding sentence, then the Amortization Amount shall be paid in cash on such Amortization Payment Date. All Holders of Notes shall be treated the same with respect to the Company's election to pay any Amortization Amount in cash or stock (or a combination thereof, if so permitted, in which case the percentage paid in cash shall be the same for all Holders).

- (b) *Cash Amortization Payment.* To the extent the Company elects or is required to pay the Amortization Amount in cash on any Amortization Payment Date, then on such date the Company shall pay to the Holder in satisfaction of such obligation an amount equal to such Amortization Amount due (or such portion thereof as may be timely elected to be paid in cash, if a combination of cash and stock payment is permitted).
- (c) *Stock Amortization Payment.* To the extent the Company elects to pay the Amortization Amount in shares of Common Stock on any Amortization Payment Date, subject to the terms of the Note, the number of such shares to be issued as and for such amortization payment shall be equal to (i) such Amortization Amount due (or such portion thereof as may be timely elected to be paid in stock, if a combination of cash and stock payment is permitted, and together with any premium amount which may be required under the Note), divided by (y) the Amortization Conversion Price (as defined and set forth in the Note) determined as of such Amortization Payment Date. Such shares shall be issued and delivered within three (3) Trading Days following such Amortization Payment Date and shall be duly authorized, validly issued, fully paid, non-assessable and free and clear of all encumbrances, restrictions and legends. If the Holder does not receive the requisite number of shares of Common Stock in the form required above within such three Trading Day period, the Holder shall have the option of either (a) requiring the Company to issue and deliver all or a portion of such shares or (b) canceling such election to pay in Common Stock (in whole or in part), in which case the Company shall immediately pay such Amortization Amount due under the Note in cash (or such portion as the Holder specifies is to be paid in cash instead of stock). Any payment of the Amortization Amount in shares of Common Stock pursuant to the terms of the Note (including herein) shall constitute and be deemed a conversion under the Note for all purposes and such shares shall constitute Conversion Shares and be issued in accordance with the terms of the Note regarding conversion (except that such conversion shall be at the Amortization Conversion Price and except as otherwise provided in the Note, including herein).
- (d) *Limitations to Amortization Payment in Common Stock.* Notwithstanding anything to the contrary contained herein, the Company shall be prohibited from exercising its right to pay any Amortization Amount in shares of Common Stock (and must deliver cash in respect thereof) on the applicable Amortization Payment Date:
- (i) if, at any time from the tenth (10th) Trading Day immediately preceding the applicable Amortization Payment Date through the date the Holder receives the applicable Common Stock, any of the Equity Conditions fails to be satisfied or an Event of Default under the Note exists or occurs, unless otherwise waived in writing by the Holder in whole or in part at the Holder's option; and
- (ii) to the extent, and only to the extent, that such issuance of shares of Common Stock would result in the Holder exceeding the Holder's Beneficial Ownership Limitation or Maximum Share Issuance Allocation, if any, contained in Section 3.3 below.
- (e) *Effect on Holder Conversions.* The Holder may convert, pursuant to Article III below, any principal and interest under the Note subject to an Amortization Amount at any time prior to the date that the Amortization Amount is due and paid in full, and the Company shall honor any and all Conversion Notices with respect thereto. Unless otherwise specified by the Holder in the applicable Conversion Notice, any principal amount of the Note, together with accrued and unpaid interest thereon, converted prior to any Amortization Payment Date shall be applied to the next occurring Amortization Payment Date(s). The Holder may alternatively specify in the applicable Conversion Notice that such payment is to be applied against the last scheduled amortization payment or to the amount otherwise due on the Maturity Date.

2.6 **Surrender of Note.** At such time as the entire principal amount and accrued interest under the Note has been fully repaid and/or converted and all expenses, fees and other obligations under the Note have been paid and satisfied in full by the Company, the Holder shall promptly surrender and deliver the original Note to the Company for cancellation and the Note shall automatically be deemed cancelled and not be reissued (subject to Section 7.6 of PST Document GTC (*Payment Set Aside*)).

ARTICLE III **CONVERSION OF NOTE**

3.1 **Conversion Right.**

- (a) *Conversion Notice.* Subject to the terms, conditions and provisions of the Note (including this PST Document CN incorporated by reference and including without limitation the limitations on conversion set forth in Section 3.3 below), the Holder shall have the right to convert the Note into shares of Common Stock in whole or in part at any time and from time to time at the Holder's option by delivering to the Company (i) a written notice, in the form attached hereto as Exhibit A ("**Conversion Notice**"), specifying therein the principal amount of the Note elected by the Holder to be converted into Conversion Shares, and (ii) if and only if Book Entry (as defined below) is expressly prohibited under the Note, the original Note. The date on which the conversion shall occur ("**Conversion Date**") shall be the date such Conversion Notice is delivered to the Company or such later date which may be specified in the Conversion Notice as the Conversion Date. Effective as of the Conversion Date, the Holder shall be deemed, to the

extent permitted by applicable law, for all corporate purposes to have become the legal and record holder of the Conversion Shares for which the Note is being converted pursuant to such Conversion Notice, irrespective of the date on which stock certificate(s) evidencing such Conversion Shares are actually received by the Holder or such Conversion Shares are actually credited to the Holder's brokerage account, as the case may be.

- (b) *Conversion Rate.* The number of Conversion Shares issuable upon a conversion of the Note shall equal (a) the outstanding principal amount of the Note elected to be converted as set forth in the Conversion Notice, plus any accrued but unpaid interest on such principal amount being converted (plus any Liquidated Damages unless otherwise specified in the Note), divided by (b) the Conversion Price as of the Conversion Date.
- (c) *Book Entry.* Unless otherwise set forth in the Note, the Holder shall not be required to physically surrender and deliver the original Note to the Company in order to effect a conversion of the Note, and partial conversions of the Note shall have the effect of lowering the outstanding principal amount under the Note by an amount equal to the principal amount so converted, as if the original Note were cancelled and a new Note evidencing the new principal amount balance were issued ("**Book Entry**"). In connection with Book Entry, the Holder and the Company shall maintain records showing the principal amount converted and the number of Conversion Shares issued upon each conversion of the Note and the date of each such issuance (or use such other method, reasonably satisfactory to the Holder and the Company, so as not to require physical surrender of the Note upon each conversion thereof). By acceptance of the Note, the Holder acknowledges that, by reason of Book Entry, following conversion of any portion of the Note the unpaid and unconverted principal amount of the Note may be less than the principal amount set forth on the face thereof. Upon full conversion of the Note, the Holder shall promptly deliver the original Note to the Company.

3.2 Delivery of Securities.

- (a) *Delivery in T+3.* On or before the third (3rd) Trading Day following the Conversion Date ("**Share Delivery Date**"), the Company shall issue and deliver or cause to be issued and delivered a stock certificate to and in the name of the Holder or its designee, dated the applicable Conversion Date (and registered in the Company's share register), for the number of Conversion Shares to which the Holder is entitled pursuant to such conversion (free of restrictive legends and trading restrictions unless a Registration Statement covering the resale of the Conversion Shares and naming the Holder as a selling stockholder thereunder is not then effective and the Conversion Shares are not freely transferable pursuant to Rule 144); *provided, however,* that if (i) such Conversion Shares are required

under the Transaction Documents or otherwise permitted under applicable securities laws to be issued without a restrictive legend, (ii) the Company and its Transfer Agent participate in DTC's DWAC system, and (iii) the Holder has provided the Company with the name of its (or its designee's) broker that participates in DTC's DWAC system, then the Company shall use its best efforts to cause its Transfer Agent to electronically transmit such Conversion Shares to the brokerage account of the Holder (or its designee) by crediting such account through such DWAC system on or prior to the Share Delivery Date.

- (b) *Failure to Timely Deliver Securities.* If the Company fails to issue and deliver (or cause its Transfer Agent to issue and deliver) stock certificate(s) evidencing the Conversion Shares (or transmit such Conversion Shares via DWAC) to the Holder on or prior to the Share Delivery Date following any conversion of the Note, the Holder may revoke and withdraw its Conversion Notice, in whole or in part, at any time thereafter prior to the Company's cure of such failure. In addition to any other rights or remedies available to the Holder, including without limitation any right to receive Liquidated Damages provided for in the Securities Purchase Agreement (e.g., Section 5.2(d) of PST Document GTC), if (i) the Company fails to issue and deliver (or cause its Transfer Agent to issue and deliver) stock certificate(s) evidencing the Conversion Shares (or transmit such Conversion Shares via DWAC) to the Holder on or prior to the Share Delivery Date following any conversion of the Note, and (ii) after the Share Delivery Date but prior to the Company's cure of such failure, the Holder purchases (in an open market transaction or otherwise), or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Conversion Shares that the Holder anticipated receiving from the Company upon such conversion (a "**Buy-In**"), then the Company shall, within three (3) Trading Days after the Holder's request, in the Holder's sole discretion, either (A) pay cash to the Holder in an amount equal to the Holder's total purchase price (including reasonable brokerage commissions, if any) for the shares of Common Stock so purchased (the "**Buy-In Price**"), at which point the Company's obligation to deliver such certificate(s) (and to issue such Conversion Shares) shall terminate, or (B) promptly honor its obligation to deliver such Conversion Shares to the Holder and pay cash to the Holder in an amount equal to the excess (if any) of the Buy-In Price over the product of (x) such number of Conversion Shares, multiplied by (y) the VWAP on the applicable Conversion Date. Nothing herein shall limit the Holder's right to pursue any other rights or remedies available to it under the Note or other Transaction Documents, at law or in equity, including without limitation a decree of specific performance with respect to the Company's obligation to timely deliver Conversion Shares upon conversion of the Note as required pursuant to the terms of the Note.

- (c) *Re-Issuance of Note.* Upon any surrender or delivery to the Company of the Note following one or more partial conversions thereof, the Company shall, at its expense and as soon as practicable but in no event later than the Share Delivery Date, issue or cause to be issued a new Note (issued in accordance with Section 5.5 below) evidencing the outstanding principal amount of the Note immediately following such partial conversion(s).

3.3 Limitations on Conversion.

- (a) *Beneficial Ownership.* Notwithstanding anything to the contrary contained herein, the Company shall not effect any conversion of the Note, and the Holder shall not have the right to convert any portion of the Note (or otherwise acquire Conversion Shares with respect to the Note), to the extent that after giving effect to the issuance of Common Stock upon such conversion (or other issuance), the Holder Group would beneficially own in excess of the Maximum Ownership Percentage of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon such conversion (including for such purpose the shares of Common Stock issuable upon such conversion or issuance) (“**Beneficial Ownership Limitation**”). For purposes of calculating the Beneficial Ownership Limitation, the number of shares of Common Stock beneficially owned by the Holder Group shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder (including without limitation Regulation 13D-G), *provided, however*, that such beneficial ownership shall exclude any shares of Common Stock issuable upon conversion, exchange or conversion of (or purchase of Common Stock under) any Convertible Securities or Options outstanding at the time of determination and beneficially owned by the Holder Group which contain a limitation on conversion, exchange, conversion or purchase analogous to the Beneficial Ownership Limitation contained herein. To the extent that the Beneficial Ownership Limitation contained herein applies, the determination of whether and to what extent the Note is convertible (*vis-à-vis* other Convertible Securities or Options, including without limitation other Notes, beneficially owned by the Holder Group) shall be on the basis of first submission to the Company for conversion, exchange, conversion or purchase, as the case may be, or as otherwise determined in the sole discretion of the Holder, and the submission of a Conversion Notice shall be deemed to be the Holder’s determination of whether and to what extent the Note is convertible (*vis-à-vis* such other Convertible Securities or Options), in each case subject to the Beneficial Ownership Limitation. In determining the number of outstanding shares of Common Stock for purposes of calculating the Beneficial Ownership Limitation, the Holder may rely on the number of outstanding shares of Common Stock as reflected in (i) the Company’s most recent Periodic Report containing such information, (ii) a more recent

public announcement by the Company, or (iii) any other notice or disclosure by the Company or the Company’s Transfer Agent setting forth the number of shares of Common Stock outstanding, and the Holder may rely on knowledge it may have concerning any shares of Common Stock issued which are not reflected in the preceding clauses (i) through (iii) (*e.g.*, issuances to the Holder upon a prior Note conversion since the date as of which such number of outstanding shares of Common Stock was reported). Upon the written or oral request of the Holder, the Company shall within two (2) Business Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. Each delivery of a Conversion Notice by the Holder will constitute a representation by the Holder that it has evaluated the limitation set forth in this Section 3.3(a) and determined, based on this Section 3.3(a), that the issuance of the full number of Conversion Shares requested in such Conversion Notice is permitted under this Section 3.3(a), and the Company shall have no obligation to verify or confirm such determination. No conversion of the Note in violation of this Section 3.3(a) but otherwise in accordance with the Note shall affect the status of the Conversion Shares as validly issued, fully-paid and nonassessable. By written notice to the Company, the Holder may at any time and from time to time increase or decrease the Maximum Ownership Percentage to any other percentage specified in such notice (or specify that the Beneficial Ownership Limitation shall no longer be applicable), *provided, however*, that (A) any such increase (or inapplicability) shall not be effective until the sixty-first (61st) day after such notice is delivered to the Company, (B) any such increase or decrease shall apply only to the Holder and not to any other Holders of Notes, and (C) the Maximum Ownership Percentage shall not be less than 4.9%. The provisions of this Section 3.3(a) shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 3.3(a) to correct this provision (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation contained herein or to make changes or supplements necessary or desirable to properly give effect to such limitation. The Beneficial Ownership Limitation contained in this Section shall apply to a successor Holder of the Note. If at any time the Beneficial Ownership Limitation makes the Note non-convertible in whole or in part, the Company shall not by reason thereof be relieved of its obligation to issue shares of Common Stock at any time or from time to time thereafter upon conversion of the Note as and when shares of Common Stock may be issued in compliance with such limitation.

- (b) *Principal Market Regulation.* If the Note is issued in a PIPE Transaction, the Company shall not be obligated to issue any Conversion Shares upon conversion of the Note to the extent the issuance of such Conversion Shares would exceed the Holder’s Maximum Share Issuance Allocation then in effect, if any. The terms of the

Securities Purchase Agreement (including without limitation Section 4.15 of PST Document GTC incorporated therein by reference) shall govern with respect to any Maximum Share Issuance in effect, including without limitation the Company's obligation to redeem such portion of the Note which cannot be converted due to such Maximum Share Issuance in accordance with the terms and conditions set forth in the Securities Purchase Agreement, which are incorporated herein by reference.

3.4 No Fractional Shares or Scrip. No fractional Conversion Shares or scrip representing fractional Conversion Shares shall be issued upon any conversion of the Note. As to any fraction of a share which the Holder would otherwise be entitled to receive upon such conversion, the Company shall, at its election, either pay a cash adjustment in respect of such fraction in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share.

3.5 Charges, Taxes and Expenses. Issuance and delivery of Conversion Shares upon conversion of the Note shall be made without charge to the Holder for any issue or transfer tax, withholding tax, transfer agent fee or other incidental tax or expense in respect of the issuance thereof, all of which taxes and expenses shall be paid by the Company; *provided, however,* that if the Conversion Shares are to be issued in a name other than the name of the Holder, then (a) the Conversion Notice (and Note, if applicable) when delivered to the Company upon conversion shall be accompanied by a copy of the assignment pursuant to which such Conversion Shares were transferred, and (b) the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto.

3.6 Authorization, Issuance and Reservation of Conversion Shares.

(a) *Valid Issuance.* The Company represents, warrants and covenants that all Conversion Shares issued upon conversion of the Note will be duly authorized, validly issued, fully paid and nonassessable and free and clear of all Liens, charges, preemptive or similar rights of stockholders, and taxes (other than taxes in respect of any transfer occurring contemporaneously with such issue). The Company further represents, warrants and covenants that its issuance of the Note shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the Conversion Shares upon any conversion of the Note. The Company shall take all such reasonable action as may be necessary or appropriate to assure that such Conversion Shares may be issued as provided herein without violation of any applicable law or regulation or any requirements of the Principal Market.

(b) *Reservation.* So long as the Note is outstanding, the Company shall take any and all actions necessary to reserve and keep available out of its authorized and

unissued shares of Common Stock, solely for the purpose of effecting the conversion of the Note, at least the number of shares of Common Stock as shall from time to time be necessary to effect the conversion of the Note in full (without regard to any limitations or restrictions on conversion or acquisition of Conversion Shares (*e.g.*, Section 3.3 above) and whether or not the Note is then convertible). Without limiting the foregoing, the terms of the Securities Purchase Agreement (including without limitation Section 5.5 of PST Document GTC or Section 5.1 of PST Document GTC-RD) shall govern with respect to the Company's obligation to reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Conversion Shares upon the full conversion of the Note, including without limitation the Company's obligation to compensate the Holder for failure to do so in accordance with the terms and conditions set forth in such Securities Purchase Agreement, which are incorporated herein by reference.

(c) *Obligation to Issue Conversion Shares Absolute.* The Company's obligations to issue and deliver Conversion Shares in accordance with the terms of the Note are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision of any Transaction Document, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other Person, and irrespective of any other circumstance which might otherwise limit such obligations of the Company to the Holder in connection with the issuance and delivery of Conversion Shares, *provided, however,* that such issuance and delivery shall not operate as a waiver by the Company of any claims it may have against the Holder or such other Person. Without in any way limiting the foregoing or anything else contained herein, in the event the Company seeks and/or obtains an order from a court of competent jurisdiction enjoining and/or restraining conversion of all or part of the Note or issuance of any Conversion Shares, based on a claim that the Holder or any Person affiliated with the Holder has been engaged in any violation of law or agreement or for any other reason, the Company shall be required as a condition thereto to post a surety bond for the benefit of the Holder in the amount of 120% of the outstanding principal amount of the Note. Such bond shall remain in effect until the completion of the applicable arbitration or litigation of the underlying dispute, and the proceeds of such bond shall be payable to the Holder to the extent the Holder prevails in any such arbitration or litigation.

(d) *Pro Rata Conversions.* Without limiting anything contained herein or in the Transaction Documents, in the event that the Company receives a Conversion Notice

from more than one holder of Notes for the same Conversion Date and the Company can convert some, but not all, of such portions of the Notes submitted for conversion, the Company shall, subject to any limitations contained herein, convert from each Holder of Notes electing to have Notes converted on such date a pro rata amount of such Holder's portion of its Notes submitted for conversion based on the principal amount of Notes submitted for conversion on such date by such Holder relative to the aggregate principal amount of all Notes submitted for conversion on such date. In the event of a dispute as to the number of Conversion Shares issuable to the Holder in connection with a conversion of the Note pursuant to this paragraph, the Company shall issue to the Holder the number of Conversion Shares not in dispute and resolve such dispute in accordance with Section 4.3(b) below.

ARTICLE IV

ADJUSTMENTS TO CONVERSION PRICE; FUNDAMENTAL TRANSACTIONS

4.1 Certain Adjustments. The Conversion Price and the number and kind of securities issuable upon conversion of the Note shall be subject to adjustment from time to time as set forth in this Article IV and as may otherwise be set forth in the Note.

- (a) *Stock Dividends and Splits.* If at any time while the Note is outstanding the Company (i) declares or pays a stock dividend on its Common Stock or otherwise makes a distribution on any class of capital stock (or securities convertible into or exercisable or exchangeable for capital stock) that is payable in shares of Common Stock, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including without limitation by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company (including without limitation in connection with any merger or consolidation), then in each such case the Conversion Price then in effect shall be adjusted by multiplying such Conversion Price by a fraction of which (A) the numerator shall be the number of shares of Common Stock outstanding immediately before such event, and (B) the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the Record Date for such dividend or distribution, and any adjustment made pursuant to clause (ii), (iii) or (iv) of this paragraph shall become effective immediately after the effective date of such subdivision, combination or reclassification.
- (b) *Pro Rata Distributions.* Subject to Section 4.1(c) below, if at any time while the Note is outstanding the Company declares or pays any dividend or otherwise distributes any

of its assets (including without limitation cash, properties, evidences of indebtedness, securities (including any Options or Convertible Securities but excluding a distribution of Common Stock covered by Section 4.1(a) above or Purchase Rights covered by Section 4.1(c) below) or options or rights to acquire any such assets) (in each case, "**Distributed Property**") to all holders of Common Stock *pro rata* (and not to all Holders in their capacity as holders of Notes), whether by way of dividend, return of capital, spin-off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction, then in each such case the Conversion Price in effect immediately prior to the close of business on the Record Date for such dividend or distribution shall be reduced, effective as of the close of business on such Record Date, to a price determined by multiplying such Conversion Price by a fraction of which (A) the denominator shall be the Market Price on such Record Date, and (B) the numerator shall be such Market Price minus the value of the Distributed Property on such date applicable to one outstanding share of Common Stock, as determined by the Company's independent certified public accounting firm that regularly examines the financial statements of the Company, subject to dispute resolution as set forth in Section 4.3(b) below.

- (c) *Rights Offerings Below Market.* Notwithstanding Section 4.1(b) above, if at any time while the Note is outstanding the Company grants, issues or sells *pro rata* to all holders of its outstanding shares of Common Stock (and not to all Holders in their capacity as holders of Notes) any Options, Convertible Securities or other rights (the "**Purchase Rights**") entitling them to directly or indirectly subscribe for or purchase shares of Common Stock at an effective price per share less than the Market Price on the Record Date of such grant, issuance or sale, then in each such case the Conversion Price in effect immediately prior to the close of business on such Record Date shall be reduced, effective as of the close of business on such Record Date, to a price determined by multiplying such Conversion Price by a fraction of which (A) the numerator shall be the number of shares of Common Stock outstanding as of the close of business on such Record Date plus the number of shares of Common Stock which the aggregate offering price of the total number of shares so offered for subscription or purchase (including and assuming receipt by the Company in full of all consideration payable upon both issuance and exercise of such Purchase Rights) would purchase at such Market Price, and (B) the denominator shall be the number of shares of Common Stock outstanding as of the close of business on such Record Date plus the total number of additional shares of Common Stock so offered for subscription or purchase; *provided*, that in lieu of receiving such adjustment to the Conversion Price, the Holder shall have the option, upon written notice to the Company within 30 days following its receipt of the notice of such adjustment, to elect to acquire, upon any conversion of the Note and in accordance with the terms

applicable to the issuance of such Purchase Rights, the aggregate Purchase Rights which the Holder would have acquired if the Holder had converted such portion of the Note being converted (without regard to any limitations on ownership or conversion and regardless of whether the Note was then convertible) immediately prior to such Record Date. To the extent that shares of Common Stock have not been delivered pursuant to such Purchase Rights specified in this Section 4.1(c) upon the expiration or termination of such Purchase Rights, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect had the adjustment made upon the issuance of such Purchase Rights been made on the basis of delivery of only the number of shares of Common Stock actually delivered. In determining whether any Purchase Rights entitle the holder thereof to subscribe for or purchase shares of Common Stock at less than such Market Price, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received for such Purchase Rights, the value of such consideration (if other than cash) to be determined in good faith by the Company's Board of Directors.

- (d) *Fundamental Transactions.* If at any time while the Note is outstanding a Fundamental Transaction occurs, then the Holder shall have the right thereafter to receive, upon any conversion of the Note, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, the same amount and kind of securities, cash and property as the Holder would have been entitled to receive upon the occurrence of such Fundamental Transaction if the Holder had been the record holder of one Conversion Share immediately prior to such Fundamental Transaction (without regard to any limitations or restrictions on conversion or acquisition of Conversion Shares (e.g., Section 3.3 above) and whether or not the Note was then convertible) (the “**Alternate Consideration**”), and the Conversion Price shall be appropriately and equitably adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction relative to the then Conversion Price. The Company shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any conversion of the Note following such Fundamental Transaction. In case of any such Fundamental Transaction, any successor to the Company, acquirer or surviving entity (if other than the Company) shall expressly assume the due and punctual observance and performance of each and every covenant, obligation, liability and condition under the Note and other

Transaction Documents to be performed and observed by the Company (including without limitation any registration rights), subject to such modifications as may be reasonably deemed appropriate (as determined in good faith by resolution of the Board of Directors of the Company) in order to provide for adjustments of the number and kind of Conversion Shares for which the Note is convertible which shall be as nearly equivalent as practicable to the adjustments provided for in this Article IV. Such assumption shall be pursuant to a written agreement in form and substance reasonably satisfactory to the Requisite Holders. At the Holder's request, any successor to the Company, acquirer or surviving entity in such Fundamental Transaction shall issue to the Holder a new Note from such entity substantially similar in form and substance to the Note and consistent with the foregoing provisions, which new Note shall be reasonably satisfactory to the Holder and include without limitation (i) the outstanding principal amount and interest owed to the Holder under the Note, (ii) an interest rate equal to the interest rate under the Note, (iii) similar ranking to the Note, and (iv) the Holder's right to convert the new Note into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor, acquirer or surviving entity to comply with the provisions of this Section 4.1(d) and ensuring that the Note (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction. Notwithstanding anything to the contrary contained herein, if a Fundamental Transaction (A) is an all cash transaction, (B) constitutes or results in a “Rule 13e-3 transaction” as defined in Rule 13e-3 under the Exchange Act (going private transaction), or (C) otherwise results in the successor, surviving or acquiring entity not being traded on a national securities exchange, the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market, then upon the written request of the Holder, delivered before the sixtieth (60th) day after such Fundamental Transaction, the Company (or any such successor, acquirer or surviving entity) shall redeem the Note from the Holder for a redemption price, payable in cash within five (5) Business Days after such request (or, if later, on the effective date of such Fundamental Transaction), equal to the value of the Note as determined using the Black-Scholes Option Pricing Model via Bloomberg. The provisions of this Section 4.1(d) shall similarly apply to successive Fundamental Transactions and shall be applied without regard to any limitations of the Note.

- (e) *Securities Issuances.* If and whenever during the Anti-Dilution Adjustment Period a Subsequent Issuance (other than an Exempt Issuance) occurs, then the Conversion Price shall be reduced if (and only if), as and on such terms and conditions as may be so set forth in the Note (including without limitation any Weighted-Average Anti-Dilution Adjustment, Full Ratchet Anti-Dilution

- Adjustment or Below-Market Anti-Dilution Adjustment as may be set forth in the Note).
- (f) *Other Events*. If at any time while the Note is outstanding (i) any event occurs of the type contemplated by the provisions of this Section 4.1 or (ii) the Company otherwise takes any action affecting the Common Stock that would be covered by this Section 4.1 but for the manner in which such action is taken or structured, in each case which event or action may in any way diminish the value of the Note but is not expressly provided for by the provisions of this Section 4.1 (including without limitation the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Company's Board of Directors shall in good faith make an appropriate and equitable adjustment in the Conversion Price so as to protect the rights of the Holder in the manner contemplated hereunder, *provided* that no such adjustment pursuant to this Section 4.1(f) shall increase the Conversion Price (except to the extent such event or action is analogous to the type contemplated by Section 4.1(a) and such adjustment is appropriate thereunder).
- (g) *Note Deemed Outstanding*. If during the period beginning upon the execution of the Securities Purchase Agreement and ending upon the Issuance Date, the Company entered into or effected any stock split, stock dividend or other *pro rata* distribution to stockholders or any Subsequent Issuance, then solely for purposes of determining any adjustment under this Section 4.1 (including without limitation pursuant to any provision set forth in the Note with respect to Section 4.1(e) hereof) as a result of such stock split, stock dividend, *pro rata* distribution or Subsequent Issuance, the Note shall be deemed to have been outstanding at the time of each such stock split, stock dividend, *pro rata* distribution or Subsequent Issuance.
- (h) *Voluntary Reduction by Company*. The Company may at any time while the Note is outstanding reduce the then current Conversion Price to any amount and for any period of time deemed appropriate by the Board of Directors of the Company.
- (i) *Adjustment Not Required*. If the Company undertakes a transaction contemplated under this Section 4.1 and as a result takes a record of the holders of Common Stock for the purpose of entitling them to receive a dividend or distribution or subscription or purchase rights or other benefits contemplated under this Section 4.1 and shall, thereafter and before the distribution to stockholders thereof, legally abandon its plan to pay or deliver such dividend, distribution, subscription or purchase rights or other benefits contemplated under this Section 4.1, then thereafter no adjustment shall be required by reason of the taking of such record and any such adjustment previously made in respect thereof shall be rescinded and annulled. No adjustment need be made under this Section 4.1 for a change in the par value of the Common Stock or from par value to no par value or from no par value to par value.
- (j) *Variable Conversion Price*. If the Conversion Price, Interest Conversion Price (if any), Amortization Conversion Price (if any) or other applicable conversion price under the Note is based on a formula, then for purposes of this Article IV the Conversion Price shall refer to any fixed price, ceiling price or floor price contained therein and each reported VWAP, Closing Price, Closing Bid Price or other applicable stock market price occurring on any Trading Day included in any period used for determining any Market Price, Conversion Price, Interest Conversion Price, Amortization Conversion Price or other applicable conversion price under the Note, as the case may be, which Trading Day occurred before the applicable Record Date or effective date, as the case may be.
- 4.2 Regulatory Approval.** Prior to engaging in any transaction or taking any other action which would result in an adjustment in the Conversion Price or in the number or kind of securities for which the Note is convertible, the Company shall obtain all such authorizations, exemptions or consents of and/or from any applicable public regulatory body or bodies having jurisdiction thereof as may be necessary.
- 4.3 Calculations.**
- (a) *Rounding*. All calculations under this Article IV (including without limitation pursuant to any provision set forth in the Note with respect to Section 4.1(e) hereof) shall be made to the nearest cent or the nearest 1/100th of a share, as applicable, *provided* that if the Market Price at the time of the calculation is less than (i) \$1.00, such calculation shall be made to three decimal places, or (ii) \$0.10, such calculation shall be made to four decimal places. For purposes of this Article IV (including without limitation pursuant to any provision set forth in the Note with respect to Section 4.1(e) hereof), the number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company (e.g., treasury shares) and the disposition of any such shares shall be considered an issue or sale of Common Stock.
- (b) *Disputes*. In the case of any dispute with respect to the determination of the Conversion Price or the arithmetic calculation of the number of Conversion Shares to be issued upon conversion of the Note, the Company shall promptly issue or cause to be issued to the Holder such number of Conversion Shares that is not disputed and shall transmit an explanation of the disputed determinations or arithmetic calculations to the Holder via email or facsimile as soon as possible, but in no event later than two (2) Business Days after receipt of such Holder's Conversion Notice or other date of determination. If the Holder and the Company are unable to agree upon the determination of the Conversion Price

or arithmetic calculation of the Conversion Shares within two (2) Business Days of such disputed determination or arithmetic calculation being transmitted to the Holder, then the Company shall promptly submit (via email or facsimile) such disputed determination or calculation to a reputable accounting firm to perform the applicable determination or calculation, *provided* that to the extent that such dispute concerns the determination of fair market value of a security or property, such disputed determination shall be submitted to a reputable investment bank or valuation company, in each case such accounting firm, investment bank or valuation company to be independent of all Parties and selected jointly by the Company and a Majority-in-Interest of the Holders of all Notes. The determination or calculation of such accounting firm, investment bank and/or valuation company, as the case may be, shall be final and binding upon the Company and all Holders absent manifest error. The Company shall then on the next Business Day issue certificate(s) representing the appropriate number of Conversion Shares in accordance with such accounting firm's, investment bank's and/or valuation company's determination or calculation. The expenses of such accounting firm, investment bank and/or valuation company in making such determination or calculation shall be paid by the Company, unless the Company was correct in its determination or calculation, in which case such expenses shall be paid by the Holders (*pro rata* among the Holders based on the Current Allocation Percentage).

4.4 Deemed Changes *Mutatis Mutandis*. In the event that at any time, as a result of an adjustment made pursuant to this Article IV, the Holder shall, upon conversion of the Note, become entitled to receive securities or assets other than Common Stock, then wherever appropriate (a) all references in the Note (including herein) to Conversion Shares shall be deemed to refer to and include such Conversion Shares and/or other securities or assets, as applicable, (b) all references to the Company shall be deemed to refer to any successor, acquirer or surviving entity, as applicable, and (c) thereafter the Conversion Price and the number and kind of such shares and/or other securities or assets shall be subject to adjustment from time to time in a manner and upon terms as nearly equivalent as practicable to the provisions of this Article IV (including without limitation pursuant to any provision set forth in the Note with respect to Section 4.1(e) hereof).

4.5 Notice to Holder.

(a) *Certificate of Adjustments.* Upon the occurrence of each adjustment or readjustment of the Conversion Price, the number or kind of Conversion Shares, or the securities, assets or other property issuable upon conversion of the Note, whether pursuant to this Article IV, the other provisions of the Note or other Transaction Documents, applicable law or otherwise, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms of the Note and prepare and

deliver to the Holder a certificate specifically setting forth such adjustment or readjustment, including (i) a statement of the adjusted Conversion Price and/or the adjusted number or kind of Conversion Shares and/or other securities, assets or other property issuable upon conversion of the Note (as applicable), (ii) a description of the transactions giving rise to such adjustment or readjustment, (iii) the facts upon which such adjustment or readjustment is based, in reasonable detail, and (iv) the computations by which such adjustment or readjustment was made, *provided* that the Company shall not include any material non-public information concerning the Company without the prior written consent of the Holder. Any failure to deliver such certificate shall not affect the legality or validity of any such adjustment or readjustment. Upon written request, the Company shall promptly deliver a copy of each such certificate to the Holder and to the Company's Transfer Agent.

- (b) *Notice of Corporate Events.* If at any time while the Note is outstanding:
- (i) the Company declares (or otherwise takes a record of the holders of its Common Stock for purposes of granting) a dividend or other distribution on its Common Stock (including without limitation any Distributed Property and any special nonrecurring cash dividend but excluding a cash dividend payable out of earnings or earned surplus legally available for the payment of dividends under the laws of the jurisdiction of incorporation of the Company which is consistent with prior cash dividends of the Company, if any), or the Company declares any redemption of its Common Stock;
 - (ii) the Company grants (or authorizes the granting) to all holders of its Common Stock rights, options or warrants to subscribe for or purchase any evidences of its indebtedness, any shares of capital stock of any class or any other securities or property or rights to receive or purchase any other right;
 - (iii) there shall be, or the Company's Board of Directors authorizes, any capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company, any consolidation, merger or other business combination of the Company with, or any sale, transfer or other disposition of all or substantially all the property, assets or business of the Company to, another Person (including without limitation any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property);
 - (iv) the Company authorizes or approves, enters into any agreement contemplating or solicits stockholder approval for, or otherwise becomes subject to, any Fundamental Transaction; or

- (v) there shall be pending the voluntary or involuntary, or the Company otherwise authorizes, a dissolution, liquidation or winding up of the affairs of the Company;

then, in each case, the Company shall deliver or cause to be delivered to the Holder, at least 15 calendar days prior to the applicable record or effective date hereinafter specified, a written notice stating (A) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights, options or warrants or for determining rights to vote in respect of any such reorganization, reclassification, merger, consolidation, business combination, sale, transfer, disposition, dissolution, liquidation or winding up, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights, options or warrants are to be determined, and/or (B) the date on which such reorganization, reclassification, merger, consolidation, business combination, sale, transfer, disposition, share exchange, dissolution, liquidation or winding up is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, business combination, sale, transfer or share exchange, *provided* that the failure to deliver such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action or event required to be specified in such notice. Such notice shall describe the material terms and conditions of such transaction or corporate event, *provided* that the Company shall not include any material non-public information concerning the Company without the prior written consent of the Holder. The Company shall take all steps reasonably necessary in order to ensure that the Holder is given the practical opportunity to convert the Note prior to the applicable time so as to participate in or vote with respect to such transaction or event.

- (c) *Notices to Stockholders.* The Company shall provide the Holder with copies of the same notices and other information given to the stockholders of the Company generally, contemporaneously with the giving thereof to the stockholders.

ARTICLE V

REGISTRATION, ISSUANCE AND TRANSFER OF NOTE AND CONVERSION SHARES

5.1 **Registration of Note.** The Company shall maintain, or cause to be maintained, books and records for the registration and transfer of the Note (collectively, the “**Note Register**”). The Note shall be registered in the Note Register, initially in the name and with the address of the initial Holder and thereafter in the name and with the address of the then record Holder. The Company may deem and treat the registered

Holder of the Note as the absolute owner of the Note for the purposes of any conversion by or distribution to the Holder and for all other purposes, and the Note Register shall be conclusive and binding for all purposes absent manifest error. The Company, or such other Person as may be so set forth in the Securities Purchase Agreement, shall serve as agent under the Note (“**Note Agent**”) for purposes of maintaining the Note Register and effectuating issuances and transfers of Notes. Upon twenty (20) days’ prior written notice to the Holder, the Company may appoint a new Note Agent. Any Person resulting from any merger or consolidation to which the Note Agent shall be a party or any Person to which the Note Agent transfers all or substantially all of its corporate trust or shareholders services business shall be a successor Note Agent under the Note without any further act. Any such successor Note Agent shall promptly cause written notice of its succession as Note Agent to be delivered to the Holder at the Holder’s last address as shown on the Note Register. So long as the Note remains outstanding, the Company or its Note Agent shall maintain an office or agency (which shall be the principal executive offices of the Company unless and until the Company notifies the Holder otherwise) where the Note may be presented for conversion, registration of transfer, division or combination as provided in the Note.

5.2 **Transfer of Note.** The Note and all rights thereunder (including under any other Transaction Document to the extent applicable to the Note, including without limitation any registration rights) may be transferred, in whole or in part, without the consent of the Company, except as may otherwise be required under the Note or Securities Purchase Agreement, *provided* that if the Note was not issued pursuant to a Registered Direct Registration Statement and such transfer is not (a) pursuant to an effective Registration Statement or Rule 144, (b) to the Company or to an Affiliate of the Holder, or (c) in connection with a pledge as contemplated in Section 5.7 below, the Company may require the Holder to provide the Company with a legal opinion, reasonably acceptable to the Company in form and substance from counsel reasonably acceptable to the Company, to the effect that such transfer does not require registration under the Securities Act. To transfer the Note, the Holder shall surrender the Note to the Company (or other Note Agent), together with (i) a written assignment of the Note duly completed and executed by the Holder, and (ii) if requested by the Company, payment of funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender (with assignment) and, if required, such payment, the Company shall promptly prepare, execute, issue and deliver a new Note or Notes (issued in accordance with Section 5.5 below) (A) to and in the name of each transferee representing the principal amount of the Note being transferred to such transferee, and (B) if less than the full balance outstanding under the Note is being transferred, to and in the name of the Holder representing the balance of the Note not being transferred. The acceptance of such new Note by any such transferee shall be deemed the acceptance by such transferee of all the rights and obligations of a holder of the Note. Such transfer shall be registered by the Company or the Note Agent in the Note Register. The Note, if properly

transferred, may be converted in accordance with the terms of the Note by any new holder thereof prior to the actual issuance and delivery of a new Note.

5.3 Lost, Stolen or Mutilated Note. Upon receipt by the Company of (a) evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of the Note, and (b) (i) in the case of loss, theft or destruction, a customary and reasonable indemnification (without the requirement of posting bond), if requested by the Company, or (ii) in the case of mutilation, the mutilated Note for surrender and cancellation, the Company shall promptly prepare, execute, issue and deliver to the Holder a new Note (issued in accordance with Section 5.5 below) evidencing the outstanding principal amount of the Note in lieu of and substitution for the Note so lost, stolen, destroyed or mutilated.

5.4 Exchangeable for Multiple Notes. The Note may be divided or combined with other Notes upon presentation and surrender of the Note to the Company (or other Note Agent), together with a written notice, signed by the Holder, specifying the names and denominations in which new Note(s) are to be issued, *provided* that any transfer which may be involved in such division or combination shall be subject to compliance with Section 5.2 above. Such new Note(s) shall be issued in accordance with Section 5.5 below and have an aggregate principal amount equal to the aggregate principal amount of the Note(s) surrendered for exchange, and each such new Note shall be for the principal amount specified by the Holder in its notice.

5.5 Issuance of New Notes. Whenever the Company is required to issue a new Note in replacement of the Note pursuant to the terms of the Note, such new Note shall (a) be of like tenor with the Note being replaced, identical in all respects except that the new Note shall contain the then Conversion Price, the kind of Conversion Shares for which the new Note is then convertible, and the name of the then Holder, (b) represent, as indicated on the face of such new Note, the principal amount then outstanding under the Note (or in the case of a new Note being issued pursuant to Section 5.2 or Section 5.4 above, the principal amount specified by the Holder which, when added to the principal amount of the other new Notes issued in connection with such issuance, does not exceed the principal amount then outstanding under the Note(s) being replaced), (c) have an issuance date, as indicated on the face of such new Note, which is the same as the Issuance Date of the Note being replaced, (d) have the same rights and conditions as the Note being replaced, and (e) represent accrued and unpaid interest, expenses and damages under the Note from the Issuance Date. Upon the request of the Holder at any time during the period the Note is outstanding, the Company shall acknowledge in writing, in form reasonably satisfactory to the Holder, the continuing validity of the Note and the obligations of the Company thereunder. No service charge or other fee will be imposed by the Company in connection with the issuance of any new Notes pursuant to Sections 5.2 through 5.4 or any registration of any transfer or exchange in connection therewith.

5.6 Resale of Conversion Shares.

- (a) *PIPE Transaction.* If the Note is issued pursuant to a PIPE Transaction, then (a) the resale of the Conversion Shares shall be subject to registration rights to the extent set forth in the Securities Purchase Agreement, and (b) the Company shall comply with Section 5.4 (*Rule 144 Information*) of PST Document GTC. By acceptance of the Note the Holder acknowledges that pursuant to the Securities Purchase Agreement, the Company has the right to request that the Holder furnish information regarding the Holder and its intended distribution of the Conversion Shares in connection with any such registration.
- (b) *Registered Direct Offering.* If the Note is issued pursuant to a Registered Direct Offering, then if at any time the Registered Direct Registration Statement (or any subsequent Registration Statement registering the sale or resale of the Conversion Shares under the Securities Act) is not effective or is not otherwise available for the sale or resale of the Conversion Shares, the Company shall immediately notify the Holder in writing that such Registration Statement is not then effective and thereafter shall promptly notify the Holder when such Registration Statement is effective again and available for the sale or resale of the Conversion Shares. The Company shall use best efforts to keep a Registration Statement (including the Registered Direct Registration Statement) registering the issuance or resale of the Conversion Shares effective unless the Conversion Shares may be sold pursuant to Rule 144(b)(1).

5.7 Pledge of Shares. The Company acknowledges and agrees that the Holder may from time to time pledge or grant a security interest in the Note and/or Conversion Shares in whole or in part pursuant to a *bona fide* margin agreement with a registered broker-dealer or pursuant to a security or pledge agreement with a financial institution that is an Accredited Investor in connection with a loan from such institution. If required under the terms of such pledge or security agreement, the Holder may transfer such securities to such pledgee or secured party, in which case (a) such pledge or transfer shall not be subject to approval by the Company, (b) no legal opinion of counsel to the pledgee, secured party or pledgor shall be required in connection therewith, and (c) no notice shall be required of such pledge or security interest. At the Holder's expense, the Company shall execute and deliver such reasonable documentation as such pledgee or secured party of securities may reasonably request in connection with such pledge or transfer of securities, including, if the securities are subject to registration pursuant to the Transaction Documents, the preparation and filing of any required prospectus supplement under Rule 424(b)(3) under the Securities Act or other applicable provision of the Securities Act to appropriately amend the list of selling stockholders thereunder. Except to the extent otherwise provided by applicable law, the pledge of the Note or Conversion Shares shall not be deemed to be a transfer,

sale or assignment of the Note or Conversion Shares under the Transaction Documents or applicable securities laws.

ARTICLE VI DEFAULTS AND REMEDIES

6.1 Events of Default. “Event of Default” means, wherever used in the Note (including herein), any of the following events shall occur (whatever the reason for such event occurring and whether such event shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body):

- (a) the Company or a Subsidiary defaults in the payment of:
 - (i) any principal amount of the Note or any of the other Notes,
 - (ii) interest under the Note or any of the other Notes, or
 - (iii) liquidated damages or other amounts owing to the Holder under the Note,

in each case as and when the same shall become due and payable (whether on an Interest Payment Date, principal payment date or the Maturity Date or by acceleration or otherwise), which default is not cured within five (5) Business Days following (A) such due date in the case of clauses (i) and (ii) above, and (B) written notice of such default sent by the Holder to the Company in the case of clause (iii) above;

- (b) the Company fails to observe or perform in any material respect any other covenant or agreement contained in the Note (other than a breach by the Company of its obligation to deliver shares of Common Stock to the Holder upon conversion, which breach is addressed in clause (j) below) which failure is not cured, if possible to cure, within fifteen (15) days following the date on which the Company (i) receives written notice of such failure sent by the Holder or by any other holder of Notes, or (ii) has become or should have become aware of such failure, whichever is earlier;
- (c) the Company or any Subsidiary fails to comply with any material provision of any of the other Transaction Documents in any material respect for fifteen (15) days after written notice of such default has been received by the Company;
- (d) any representation, warranty, certification or statement of fact made or deemed made by or behalf of the Company in the Note, any other Transaction Document, any written statement pursuant the Note or any other Transaction Document, or any other report, financial statement or certificate made or delivered to the Holder or any other holder of Notes, shall be untrue or incorrect in any

material respect as of the date when made or deemed made;

- (e) the Company or any Significant Subsidiary shall be subject to a Bankruptcy Event;
- (f) the Company or any Subsidiary defaults on any of its Indebtedness (whether such Indebtedness exists on the Closing Date or is thereafter created) that is greater than the Defaulted Debt Limit, individually or in the aggregate, *provided* that in the case of (i) a payment default, such default is not cured within the applicable cure periods under such Indebtedness, and (ii) a non-payment default, such default results in such Indebtedness becoming or being declared due and payable, subject to a redemption requirement or otherwise accelerated, prior to the date on which it would otherwise become due and payable, where the “**Defaulted Debt Limit**” means \$100,000 or such other amount as may be specified in the Note;
- (g) for a period of more than five (5) consecutive Trading Days or for more than an aggregate of ten (10) Trading Days in any 365-day period (i) the Common Stock is not listed for trading or otherwise quoted on an Eligible Market, or (ii) trading in the Common Stock on an Eligible Market is ceased, suspended or prohibited by order of any court, stock exchange or securities regulatory authority (other than voluntary suspensions by the Company for less than one hour at a time to disseminate material information);
- (h) after three months following the Closing Date, the Company is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or has failed to file all reports required to be filed thereunder during the then preceding 12 months (or such shorter period that the Company was required to file such reports), unless the Company has received a valid extension of the applicable filing time and has filed such extended filing(s) prior to the expiration of any such extension;
- (i) after six months following the Closing Date, all the Conversion Shares are not either (i) freely tradable pursuant to an effective Registration Statement which contains a current and available Prospectus covering the resale of such shares by the Holder, or (ii) freely tradable pursuant to Rule 144 without any volume restrictions, manner of sale requirements or notice requirements (or may be sold pursuant to Rule 144 with volume restrictions, manner of sale requirements or notice requirements if the Holder is an Affiliate of the Company);
- (j) the Company fails for any reason to issue and deliver Conversion Shares (either via a stock certificate or DWAC, as applicable) to the Holder in accordance with the terms of the Note prior to the fifth (5th) Trading Day after the applicable Share Delivery Date, or the Company at any time notifies or informs the Holder, including by

way of public announcement, that it does not intend to honor requests for conversions of the Note in accordance with the terms of the Note;

- (k) one or more judgments, writs, non-interlocutory orders or decrees shall be entered by a U.S. state or federal or a foreign court or administrative agency of competent jurisdiction against the Company or any Subsidiary or any of their respective properties or assets involving in the aggregate a liability, as to any single or multiple transactions, incidents or conditions, of more than the Defaulted Debt Limit, which are not, within sixty (60) days after the entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within sixty (60) days after the expiration of any such stay, *provided* that to the extent any judgment is covered by insurance or an indemnity from a creditworthy insurer or third party, such judgment (or portion thereof) shall not be included in calculating such liability amount so long as the Company provides the Holder with a written statement from such insurer or indemnity provider (which statement shall be reasonably satisfactory to the Holder) to the effect that such judgment (or portion thereof) is covered by insurance or an indemnity and the Company will receive the proceeds of such insurance or indemnity within thirty (30) days following the issuance of such judgment;
- (l) an Event of Default (as defined in the other Notes) occurs under any of the other Notes; or
- (m) any other event occurs which is specified in the Note or the Securities Purchase Agreement as an additional Event of Default;

provided that any of the above events may be excluded or modified as an Event of Default if so specified in the Note or the Securities Purchase Agreement.

6.2 Remedies Upon Event of Default.

- (a) *Redemption Right.* If an Event of Default occurs and is continuing, the Holder shall have the right (in addition to all other rights it may have under the Note or under applicable law) to require the Company to redeem all or a portion of the Note in cash for an amount equal to the Mandatory Redemption Amount, which right shall be exercisable at the sole option of the Holder by delivery of a written notice to the Company (“**Default Redemption Notice**”) indicating the portion of the Note the Holder is electing to redeem. The Company shall deliver the applicable Mandatory Redemption Amount to the Holder within three (3) Business Days following delivery of the Default Redemption Notice, and promptly following receipt of payment in full of the Mandatory Default Amount, the Holder shall surrender and deliver the Note to or as directed by the Company. Any such redemption election may be rescinded and annulled by the Holder at any time prior to the Holder’s receipt of the applicable Mandatory Redemption Amount, and the Holder shall

remain entitled to convert such applicable Mandatory Redemption Amount, in accordance with Article III hereof, at any time prior to the Holder’s actual receipt of such Mandatory Redemption Amount. No such rescission or annulment or conversion shall affect any subsequent Event of Default or impair any rights consequent thereon. If the Company is unable to redeem all the Notes submitted for redemption pursuant to this Section, the Company shall redeem a *pro rata* amount from each holder of Notes based on the principal amount of the Notes submitted for redemption by such holder relative to the total principal amount of Notes submitted for redemption by all Holders. To the extent any redemption required by this paragraph is deemed or determined by a court of competent jurisdiction to be a prepayment of the Note, such redemption shall be deemed to be a voluntary prepayment. The Company and the Holder acknowledge that the Holder’s damages upon an Event of Default would be uncertain and difficult to estimate, so any premium resulting from any redemption pursuant to this paragraph is intended by the parties to be, and shall be deemed, a reasonable estimate of the Holder’s actual loss of its investment opportunity and not a penalty.

- (b) *Automatic Acceleration.* Without limiting anything contained herein, in the event the Company or any Significant Subsidiary shall be subject to a Bankruptcy Event, then the Note shall immediately and automatically become due and payable without any further action or notice.
- (c) *No Waiver.* In connection with any redemption or acceleration of the Note pursuant to this Article VI or otherwise, the Holder need not provide, and the Company hereby waives, any presentment, demand, protest or other notice of any kind, and the Holder may immediately and without expiration of any grace period enforce any and all of its rights and remedies under the Note and all other remedies available to it under applicable law. The Holder shall have all rights as a holder of the Note until such time, if any, as the Holder receives full payment of all amounts due under the Note, including without limitation pursuant to this Article VI.
- (d) *Default Rate.* From and after the occurrence and during the continuance of an Event of Default, interest on the Note shall accrue at the Default Rate, and any Mandatory Default Amount due and payable hereunder shall accrue interest at the Default Rate from and after the due date therefor.

6.3 Payment of Collection, Enforcement and Other Costs.

The Company shall pay any and all charges, costs and expenses (including without limitation attorneys’ fees, expenses and disbursements, including those of appellate proceedings) which may be reasonably incurred by the Holder in connection with any actions taken by the Holder (a) to collect any amounts due under the Note, (b) to enforce any provisions of the Note or any of the Holder’s rights or powers under the Note, (c) to exercise

any remedies under the Note upon the occurrence of an Event of Default or otherwise, and/or (d) as a result of any Bankruptcy Event of the Company or other proceedings affecting Company creditors' rights and involving a claim under the Note, in each case including without limitation any legal Actions undertaken in connection therewith.

ARTICLE VII MISCELLANEOUS

7.1 No Impairment or Circumvention. Except as and to the extent waived or consented to by the Holder, the Company shall not by any action, including without limitation by amendment of its Organizational Documents or through any reorganization, transfer of assets, consolidation, merger, amalgamation, scheme of arrangement, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of the Note (including without limitation conversion thereunder), but shall at all times in good faith assist in carrying out all such terms and take all action as may be necessary or appropriate to protect the rights of the Holder as set forth in the Note against impairment. Without limiting the generality of the foregoing or any other provision in the Note or the Securities Purchase Agreement, the Company (a) shall not increase the par value of any Conversion Shares above the Conversion Price then in effect, (b) shall take all such action as may be reasonably necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Conversion Shares in accordance with the terms of the Note (including herein) upon the conversion of the Note, and (c) shall use its commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body or bodies having jurisdiction thereof as may be necessary to enable the Company to perform its obligations under the Note. The Company shall not close its stockholder books or records (including stock or note transfer books) in any manner which prevents, delays or otherwise interferes with the timely conversion or transfer of the Note.

7.2 No Stockholder Rights or Liabilities before Conversion. Except as otherwise specifically provided in the Note or the provisions of any other written agreement between the Company and the Holder, prior to the conversion of the Note in accordance with the terms thereof, the Holder (solely in such Person's capacity as a holder of the Note) shall not be entitled to any rights as a stockholder of the Company, nor shall anything contained in the Note be construed to confer upon the Holder (solely in such Person's capacity as a holder of the Note) any of the rights of a stockholder of the Company, including with limitation the right to (a) vote for the election of directors of the Company or upon any matter submitted to stockholders at any meeting thereof, (b) give or withhold consent to any corporate action (whether upon or for any recapitalization, reorganization, issue of stock, reclassification of stock, change of par value, change of stock to or from no par value, consolidation, merger, amalgamation, conveyance or otherwise), (c) receive notice of meetings (other than pursuant to Section 4.5 above), or (d) receive dividends, distributions or

subscription rights, and the Holder (solely in such Person's capacity as a holder of the Note) shall not be deemed the holder of Conversion Shares or any other securities of the Company that may at any time be issuable upon the conversion of the Note for any purpose prior to the conversion thereof. No provision of the Note, in the absence of any affirmative action by the Holder to convert the Note into Conversion Shares, and no enumeration in the Note of the rights or privileges of the Holder, shall give rise to any liability of the Holder as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

7.3 Successors and Assigns; Benefits. Subject to the restrictions on transfer set forth in the Note (including herein) and/or in the Transaction Documents, the Note may be assigned by the Holder. The Note may not be assigned by the Company, except to a successor in the event of a Fundamental Transaction. The Note shall be binding on and inure to the benefit of the parties thereto and their respective successors and assigns. Subject to the preceding sentence, nothing in the Note shall be construed to give to any Person other than the Company and the Holder any legal or equitable right, remedy, claim or cause of action under the Note, it being understood that the Note shall be for the sole and exclusive benefit of the Company and the Holder.

7.4 Notices. Any and all notices (including without limitation any Conversion Notice), consents, waivers or other communications or deliveries required or permitted to be given under the Note (except as otherwise provided therein) 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 for such Party in the Securities Purchase Agreement, 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 6:00 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 6:00 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 (5th) Business Day following deposit with the United States Postal Service. Written confirmation of complete delivery or transmission of such notice, consent, waiver or other communication or delivery (A) given by the recipient thereof, (B) mechanically or electronically generated by the sender's facsimile machine or computer containing the time, date, recipient facsimile number or email address, as the case may be, and an image of at least the first page of such transmission, which confirmation is kept on file by the sending party, or (C) provided by an internationally recognized overnight courier service, shall be rebuttable evidence of receipt of such notice, consent, waiver or other communication or delivery in accordance with clause (c) above. Addresses for notices, consents, waivers or other communications or

deliveries may be changed as set forth in the Securities Purchase Agreement.

7.5 Remedies

- (a) *General.* The Holder shall be entitled to (i) exercise any and all rights and remedies set forth in the Note or any other agreement between the Parties, (ii) recover damages by reason of any breach of any provision thereof, and (iii) exercise any and all other rights and remedies granted by law or to which the Holder is entitled in equity. Without limiting the foregoing, except as otherwise provided in the Note, any remedy expressly conferred upon the Holder in the Transaction Documents shall not constitute an exclusive remedy and shall be in addition to and not in lieu or limitation of any other rights or remedies the Holder may have at law, in equity or under the terms of the Note or other Transaction Documents, and the exercise of any one remedy shall not preclude the exercise of any other remedy. The Holder may withdraw, revoke or suspend its pursuit of any remedy at any time without prejudice prior to its complete recovery as a result of such remedy. No waiver of any breach or default with respect to any provision, condition or requirement of the Note 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, condition or requirement thereof, nor shall any delay by or omission of the Holder in exercising any right thereunder in any manner impair or prejudice the exercise of any such right.
- (b) *Specific Performance; Injunction.* Without limiting the foregoing, the Holder shall be entitled to (i) specific performance to enforce the terms and conditions of the Note and (ii) preliminary and final injunction(s) to prevent or cure any breach (or further breach) of the Note, in each case without being required to post a bond or other security or prove actual damages. The Company agrees that monetary damages or any other remedy at law may not be adequate compensation for any loss incurred by reason of any breach by the Company of any obligations or provisions contained in the Note and that irreparable damage may occur as a result of any such breach, and, to the fullest extent permitted by law, the Company waives, and agrees not to assert, in any action for specific performance or injunctive relief, any defense that a remedy at law would be adequate.

7.6 Amendments. The Company may, without the consent of the Holders, by supplemental agreement or otherwise (a) make any changes or corrections in the Notes that are required to cure any ambiguity or to correct or supplement any provision therein which may be defective or inconsistent with any other provision therein, or (b) add to the covenants and agreements of the Company for the benefit of the Holders (including without limitation to reduce the Conversion Price), or surrender any rights or power reserved to or conferred upon the Company in the Notes; *provided* that, in the case of clauses (a) or (b),

such changes or corrections shall not adversely affect the interests of Holders of then outstanding Notes in any material respect. The Note may also be amended with the consent of the Company and the Holder, provided such amendment is permitted under the Securities Purchase Agreement. Further, the Company may, with the consent (in writing or at a meeting) of the Required Holders, amend in any way, by supplemental agreement or otherwise, all the outstanding Notes in a like manner; *provided, however*, that (i) no such amendment by its express terms shall adversely affect the Holder differently than it affects all other Holders, unless the Holder consents thereto, and (ii) no such amendment decreasing the interest rate under the Note, increasing the Conversion Price or restricting any conversion period under the Note shall be made unless the Holder consents thereto. If a new Note Agent is appointed by the Company, such new Note Agent shall at the request of the Company, and without need of independent inquiry as to whether such supplemental agreement is permitted by the terms of this Section 7.6, join with the Company in the execution and delivery of any such supplemental agreements, but shall not be required to join in such execution and delivery for such supplemental agreement to become effective.

7.7 No Waiver. No course of dealing or any delay or failure to exercise any right under the Note on the part of the Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies.

7.8 Governing Law; Jurisdiction; Waiver of Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of the Note shall be governed by and construed, enforced and determined in accordance with the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York, except to the extent the corporate law of the state of the Company's incorporation or organization is required to govern particular aspects of the Note or Conversion Shares. The terms contained in PST Document GTC regarding jurisdiction, venue and service of process shall govern with respect to any legal proceedings in connection the Note, which terms are incorporated herein by reference. EACH OF THE COMPANY AND THE HOLDER 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 NOTE OR ANY TRANSACTION CONTEMPLATED THEREBY.

7.9 Saturdays, Sundays, Holidays, Etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted in the Note, including without limitation the Maturity Date, shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

7.10 Construction; Headings. No rule of strict construction, nor any other rule to the effect that any ambiguities are to be resolved against the drafting party, shall be applied against any Party in the interpretation of the Note. The headings, titles and subtitles contained in the Note (including herein) are for convenience of reference only, do not constitute a part of the Note, and shall not limit or affect, or be considered in construing or interpreting, any of the provisions of the Note.

7.11 Severability. If any provision of the Note is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable under applicable law (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 Note in any other jurisdiction shall not be affected.

7.12 Usury. The Note shall be subject to the anti-usury limitations contained in Section 7.7 of PST Document GTC, which is incorporated herein by reference as if stated herein in its entirety.

7.13 Rule 144 Tacking. For purposes of Rule 144, the Company understands and acknowledges that the holding period for the Conversion Shares shall be deemed to have commenced, and the Conversion Shares shall be deemed to have been acquired, on the Issuance Date (so long as no consideration is provided other than securities of the Company in connection with the conversion pursuant to which the applicable Conversion Shares were issued), and the Company shall not take any position inconsistent therewith.

7.14 Warrants Detachable. Any Warrants issued pursuant to the Transaction Documents constitute a separate, detachable security from the Note. In the event of any redemption of the Note by the Company in whole or in part, the Holder shall retain any of its Warrants that have not been exercised or redeemed in accordance with their terms.

7.15 Incorporation of Miscellaneous Provisions. To the extent not in contradiction of or conflict with the terms set forth in the Note, any rights of the Holder or obligations of the Company with respect to the Note which are set forth in the Securities Purchase Agreement, including such rights and obligations contained in PST Document GTC and in particular Articles VI and VII thereof, shall apply to the Note and be incorporated herein by reference as if set forth herein in their entirety.

[Form of Conversion Notice on Following Page]

* * * * *

**[FORM OF]
CONVERSION NOTICE¹**

Reference is made to the [Security Title] (the “Note”) issued to the undersigned Holder by [Company], a [State] corporation (the “Company”), on or about [Date] in the original principal amount of \$[Amount]. Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Note (including as incorporated therein by reference).

Conversion: In accordance with and pursuant to the Note, the Holder hereby elects to convert the principal amount of the Note indicated below, together with accrued and unpaid interest thereon (plus any Liquidated Damages indicated below), into Conversion Shares as of the date specified below.

Date to Effect Conversion: _____ Outstanding Principal Amount of Note: Prior to Conversion: \$ _____ Converted Hereby: \$ _____ After Conversion: \$ _____	Principal Amount of Note Being Converted: \$ _____ Plus: Accrued and Unpaid Interest on Amount Being Converted: \$ _____ Plus: Liquidated Damages Being Converted (if any): \$ _____ Total Amount Being Converted: \$ _____ Applicable Conversion Price: \$ _____ Number of Conversion Shares To Be Issued: _____
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Delivery of Conversion Shares: Pursuant to this conversion, the Company shall deliver the applicable number of Conversion Shares issuable upon conversion in accordance with the terms of the Note as set forth below. If shares are to be issued in the name of a Person other than the Holder, the Holder will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as reasonably requested by the Company in accordance therewith. No fee will be charged to the Holder for any conversion, except for such transfer taxes, if any. The Holder acknowledges and confirms that the Conversion Shares issued pursuant to this Conversion Notice has been or will be sold in accordance with the prospectus delivery requirements of the Securities Act (if applicable) or pursuant to an exemption from, or in a transaction not subject to, the Securities Act.

If stock certificates are to be issued, in the following name and to the following address:

If DWAC is permissible, to the following brokerage account:

Broker: _____
 DTC No.: _____
 Acct. Name: _____
 For Further Credit (if applicable): _____

Beneficial Ownership Limitation: The Holder represents that, after giving effect to the conversion provided for in this Conversion Notice, the Holder Group will not beneficially own a number of shares of Common Stock which exceeds the Holder’s Maximum Ownership Percentage of the total outstanding shares of Common Stock as determined pursuant to the provisions of the Note.

(Print Name of Holder)

By/Sign: _____
 Print Name: _____
 Print Title: _____

¹ To be executed by registered Holder to convert security referenced below. Form of Conversion Notice available in Microsoft® Office Word at www.pipfund.com.