UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): October 6, 2020

INNOCAP, INC.

(Exact name of registrant as specified in its charter)

Nevada	**333-153035**	**01–0721929**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification Number)

154-09 146th Ave,
Jamaica, NY 11434
(Address of principal executive offices) (zip code)

112 N. Walnut Street
PO Box 489
Jefferson, TX 75657-0489
(Former name or former address, if changed since last report.)

(718) 978-2000
(Registrant's telephone number, including area code)

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

[ ] Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

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

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

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

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
None	None	None

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company [ ]

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

Forward Looking Statements

This Current Report on Form 8-K and other reports filed by registrant from time to time with the Securities and Exchange Commission (collectively, the "Filings") contain or may contain forward-looking statements and information that is based upon beliefs of, and information currently available to, registrant's management, as well as estimates and assumptions made by registrant's management. When used in the Filings, the words "anticipate," "believe," "estimate," "expect," "future," "intend," "plan" or the negative of these terms and similar expressions as they relate to registrant or registrant's management identify forward-looking statements. Such statements reflect the current view of registrant with respect to future events and are subject to risks, uncertainties, assumptions and other factors (including the risks contained in the section of this Current Report on Form 8-K entitled "Risk Factors") relating to registrant's industry and registrant's operations and results of operations. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned.

You should not place undue reliance on any forward-looking statement, each of which applies only as of the date of this Current Report on Form 8-K. Except as required by law, we undertake no obligation to update or revise publicly any of the forward-looking statements after the date of this Current Report on Form 8-K to conform our statements to actual results or changed expectations, or the results of any revision to these forward-looking statements.

Item 1.01 Entry Into A Material Definitive Agreement

Merger Agreement

On October 8, 2020 Innocap, Inc. a Nevada corporation ("Innocap" or the "Company"), Inno Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of Innocap ("Merger Sub"), Unique Logistics Holdings, Inc., a privately-held Delaware corporation headquartered in New York ("Unique"), entered into an Acquisition Agreement and Plan of Merger (the "Agreement") pursuant to which the Merger Sub was merged with and into Unique, with Unique surviving as a wholly-owned subsidiary of Innocap (the "Merger"). The transaction (the "Closing") took place on October 8,2020 (the "Closing Date"). The Company acquired, through a reverse triangular merger, all of the outstanding capital stock of Unique in exchange for issuing Unique's shareholders (the "Unique Shareholders"), pro-rata, an aggregate of 1,000,000 million shares of preferred stock, with certain of unique shareholders receiving 130,000 shares of the Company's Series A Preferred Stock par value $0.001 per share, and certain of the Unique shareholders receiving of 870,000 shares of the Company's Series B Preferred Stock, par value $0.001 per share.. Immediately after the Merger was consummated, and further to the Agreement, certain affiliates of the Company cancelled a total of 45,606,489 shares of the Company's common stock, and 1,000,000 shares of Preferred Stock held by them (the "Cancellation"). In consideration of the Cancellation of such shares of the Company's common stock and preferred stock, Unique agreed to assume certain liabilities of the Company. As a result of the Merger and the Cancellation, the Unique Shareholders became the majority shareholders of the Company.

The directors of Innocap have approved the Agreement and the transactions contemplated under the Agreement. The directors and shareholders of Unique have approved the Agreement and the transactions contemplated thereunder and as of the Closing Date own 1,000,000 shares of Preferred Stock in the aggregate. Such Preferred Stock is convertible into an aggregate of 6,546,470,000 shares of the Company's common stock, subject to beneficial ownership limitations and authorized capital stock of the Company. On October 9, 2020, the Company's current Chief Executive Officer, Sunandan Ray, converted 30,000 shares of Series B Preferred Stock into an aggregate of 196,394,100 shares of the Company's common stock.

Split Off Agreement

In connection with the Merger, on October 8, 2020, the Company, Star Exploration Corporation, a Texas corporation and wholly-owned subsidiary of the Company (the "Split-Off Subsidiary"), and Paul Tidwell, an individual in his capacity as the Split-Off Subsidiary purchaser, entered into a Split-Off Agreement (the "Split-Off Agreement"). Pursuant to the terms of the Split-Off Agreement, the Company, as seller, in consideration of the Cancellation and the assignment and assumption of $797,000 of the Company's liabilities, sold to Mr. Tidwell all of the issued and outstanding shares of the Split-Off Subsidiary including and all assets related to the Company's current business.

General Release Agreement

In connection with the Merger and the Split-Off Agreement, On October 8, 2020, the Company, Unique, the "Split-Off Subsidiary" and Paul Tidwell entered into a General Release Agreement whereby the Split-Off Subsidiary and Paul Tidwell agreed to release the Company, Unique, and the representatives of each from any and all claims, actions, obligations, liabilities, demands and/or causes of action arising from, relating to, or in any way connected with, any fact, event, transaction, action or omission that occurred or failed to occur on or prior to the closing of the Split-Off Agreement.

Financing

Simultaneously with the Closing, on October 8, 2020, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with an accredited investor (the "Investor") pursuant to which the Company sold to such Investor (i) a 10% secured subordinated convertible promissory note in the principal aggregate amount of $1,111,000 (the "The Note") realizing gross proceeds of $1,000,000 and (ii) a warrant to purchase up to 570,478,452 shares of the Company's common stock at an exercise price of $0.001946, subject to adjustment as provided therein (the " Warrant").

The Note matures on December 6, 2021 (the "Maturity Date") and is convertible at any time. The conversion price shall be equal to the average of the closing prices on the principal market for the ten (10) trading days immediately preceding the date written notice of conversion is provided to the Company, subject to adjustment (the "**Conversion Price**"); **provided**, **however**, that in no instance shall the Holder be entitled to convert at a price lower than $0.00119759 (the "**Floor Price**") and in no instance shall the Investor be entitled to convert into such an amount of common stock that, together with all shares of common stock which have been previously converted, would equal greater than 13.8875% of the total issued and outstanding shares of common stock of the Company, subject to adjustment as provided herein, including, but not limited to, adjustments for any stock split, stock combination, reclassification or similar transaction that proportionately decreases or increases the common stock during such measuring period. The Conversion Price shall be rounded down to the nearest $0.0001 and in no event lower than $0.00119759.

Provided that the Company has satisfied all of the Equity Conditions (as defined in the Note) the Company may deliver a notice to the Investor (an "**Optional Redemption Notice**", of its irrevocable election to redeem some or all of the then outstanding principal or interest amount of the Note for cash in an amount equal to the Optional Redemption Amount as further described in the Note (the "**Optional Redemption Amount**") on the 20th Trading Day following the Optional Redemption Notice.

If the Company or any subsidiary thereof, as applicable, at any time while the Note is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or common stock equivalents, at an effective price per share less than the Conversion Price then in effect other than in respect of an Exempt Issuance (as defined therein) (such lower price, the "**Base Share Price**" and such issuances collectively, a "**Dilutive Issuance**"), then simultaneously with the consummation of each Dilutive Issuance the Conversion Price shall be reduced and only reduced to equal the Base Share Price. Such adjustment shall be made whenever such common stock or common stock equivalents are issued.

Additionally, while the Note remains outstanding the Company shall not, without prior written approval from the investor enter into a Variable Rate Transaction (as defined in the Note). Further, as long as the Note remains outstanding, upon any issuance by the Company of common stock, common stock equivalents or other indebtedness or other securities, whether for cash consideration or a combination of units thereof (a "**Subsequent Financing**"), the Investor shall have the right to participate up to is Pro Rata Portion (as defined Purchase Agreement) of a percentage of such Subsequent Financing equal to, in the aggregate, one hundred percent (100%) in case of any offering on the same terms, conditions and price provided for in the Subsequent Financing.

The Warrant has a term of five years and may only be exercised on a cash basis at an "**Exercise Price**" equal to $0.001946, subject to adjustment (the "**Exercise Price**"); **provided**, **however**, that in no instance shall the Investor be entitled to at a price lower than $0.001946 (the "**Floor Price**") and in no instance shall the Investor be entitled to exercise the Warrant into such an amount of common stock that, together with all shares of Common Stock which have been previously exercised by the Investor, would equal greater than 8.546 % of the total issued and outstanding shares of common stock of the Company, subject to adjustment, including, but not limited to, adjustments for any stock split, stock combination, reclassification or similar transaction that proportionately decreases or increases the common stock during such measuring period. The Exercise Price shall be rounded down to the nearest $0.0001 and in no event lower than 0.001946.

In connection with the issuance of the Note and Warrant to the Investor that Company and the Investor also entered into a registration rights agreement ("Registration Rights Agreement") pursuant to which the Company has agreed to register the common stock underlying the Note and the Warrant within a period of 60 days from the date of the Closing.

A copy of the Agreement, the Purchase Agreement, the Registration Rights Agreement, the General Release Agreement, the Split-Off Agreement, Note and Warrant are included as Exhibits 2.1, 10.1, 10.2, 10.4, 10.5, 4.1 and 4.2 respectively, to this Current Report and is hereby incorporated by reference. All references to the Agreement, the General Release Agreement the Split-Off Agreement, Note and Warrant and other exhibits to this Current Report are qualified, in their entirety, by the text of such exhibits.

This transaction is discussed more fully in Section 2.01 of this Current Report. The information therein is hereby incorporated in this Section 1.01 by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets

CLOSING OF THE AGREEMENT

As described in Item 1.01 above, on October 8, 2020, the Company effectuated a Merger which resulted in Unique, a logistics services company which provides a range of international services that enable its customers to outsource to it sections of their supply chain process. On the Closing Date, pursuant to the terms of the Agreement, we acquired all of the outstanding capital stock of Unique. In exchange, we issued to the Unique Shareholders, their designees or assigns, 130,000 shares of Series A Preferred Stock and 870,000 Shares of Series B Preferred Stock which convert into 6,546,470,000 shares of the Company's common stock, subject to beneficial ownership limitations and authorized capital stock of the Company..

Pursuant to the terms of the Agreement, Paul Tidwell, cancelled a total of 45,606,489 shares of the Company's Common Stock, and 1,000,000 shares of the Company's Preferred Stock held by them.

The directors of the Company have approved the Agreement and the transactions contemplated under the Agreement. The directors of Unique and Unique Shareholders have approved the Agreement and the transactions contemplated thereunder. Immediately following the Closing of the Merger the Company changed its business plan to that of Unique.

References to "we", "our", "us", or "our Company", from this point forward refer to Innocap, Inc. as currently constituted with Unique and its subsidiaries as our operating subsidiaries.

Corporate History of Innocap

We were incorporated in Nevada on January 23, 2004. In May 2011, Paul Tidwell became Chairman and President and introduced our business plan of researching the location of and salvaging sunken ships. The Company had been actively considering and negotiating several projects that had been extensively researched by its President. Several trips, including to Indonesia, Malaysia and ships that were sunk during World War ll, have been taken or have been scheduled. We have not had any significant development of our business nor have we received any revenue. Due to the lack of results in our attempt to implement our original business plan, management determined it was in the best interests of the shareholders to look for other potential business opportunities that might be available to the Company.

Immediately following the Closing of the Agreement, the Company changed its business plan to that of Unique. The Company plans to take the steps to immediately change its name to "Unique Logistics International Holdings, Inc." as well as its trading symbol to better reflect its current business to its shareholders.

Corporate History of Unique Logistics

Unique Logistics Holdings, Inc. ("Unique Logistics Holdings"), a Delaware corporation, was formed on October 28, 2019, for the purpose of conducting a management buyout of three United States subsidiaries majority owned by Unique Logistics Holdings Ltd., a Hong Kong company ("UL HK") (the "Management Buy Out Transaction").

Unique Logistics Holdings Ltd., a Hong Kong company ("ULHK") was incorporated in Hong Kong in 1983. ULHK commenced its business with a focus on transpacific logistics services because of the increasing demands of trade between Hong Kong and the United States. The initial focus was on air freight services but ULHK quickly diversified into ocean freight services. In its first fifteen years of operations, ULHK established itself as a major international logistics service provider in Hong Kong. Driven by the needs of its customer base, from 1997 through 2012, ULHK established a network of offices throughout Asia and the United States. By the end of 2012, the Unique Logistics brand was well recognized in several Asian countries including China, India and Vietnam. In the United States, ULHK offices in Boston, Atlanta, New York, Los Angeles and Chicago had a growing United States customer base in several sectors such as fashion, department stores, furniture, toys and home goods. The vast majority of ULHK's international business consisted of services pertaining to United States based companies.

Management Buyout Transaction

On May 29, 2020 (the "Buyout Transaction Date"), Unique Logistics Holdings, entered into that certain Securities Purchase Agreement ("ULHK Purchase Agreement") by and between Unique Logistics Holdings and UL HK, pursuant to which the Company purchased from UL HK (i) sixty percent (60%) of the membership interests of ("UL ATL Membership Interests") of Unique Logistics International (ATL) LLC, a Georgia limited liability company ("UL ATL"); (ii) eighty percent (80%) of the common stock of Unique Logistics International (BOS) Inc, a Massachusetts corporation ("UL BOS"); and (iii) sixty-five percent (65%) of the Unique Logistics International (USA) Inc., a New York corporation, for a purchase price of: (i) US$6,000,000, to be paid in accordance with the following (a) $1,000,000 in cash (the "UL HK Cash Purchase Price"); (b) $5,000,000 in the form a subordinated promissory note issued in favor of UL HK and (c) 1,500,000 shares of common stock of Unique Logistics Holdings, representing on issuance 15% of fully paid and non-assessable shares of common stock then outstanding on a fully diluted basis (the "UL HK Stock Purchase Price"). Pursuant to the ULHK Purchase Agreement, Unique Logistics Holdings has been granted an option to purchase 50% of UL HK's interest in Unique Logistics International (North and East China) Company Limited and its affiliated companies (collectively "UL China"), and has been granted an option to purchase 65% of UL HK's interest in Unique Logistics International India (Private) Limited ("UL India") within 12 months of the Buyout Transaction Date.

Further, in connection with the Management Buyout Transaction, Unique Logistics, Holdings entered into a Consulting Services Agreement for a term of three years with Great Eagle Freight Limited ("Great Eagle" or "GEFD"), a Hong Kong Company (the "Consulting Services Agreement"). Pursuant to the Consulting Services Agreement, GEFD will provide Unique Logistics Holdings with logistics services, agents management services, support services, accounting and financial controls support, software and IT support.
In connection with the Management Buyout Transaction, Unique Logistics Holdings also entered into three separate securities purchase agreements with the minority interest holders of UL ATL (the "UL ATL Transaction"), UL BOS (the "UL BOS Transaction") and UL NY (the "UL NY Transaction"), respectively, whereby, together with the consummation of the Management Buy Out Transaction, each such entity became a wholly-owned subsidiary of Unique Logistics Holdings.

In connection with the UL ATL Transaction, Unique Logistics Holdings, Inc purchased from the minority shareholder, the remaining forty percent (40%) of the UL ATL Membership Interests, for a purchase price of: (i) US$2,819,000, which was paid in accordance with the following (a) $994,000 in cash; and (b) $1,825,000 through a subordinated, non-interest bearing, promissory note to be issued in favor of the minority holder (the "UL ATL Note"). The UL ATL Note bears no interest, except for Default Interest upon the occurrence of a default as defined therein and has a maturity date of May 29, 2023 (the "Maturity Date"). The UL ATL Note provides that payments shall be made to the holder in six equal installments of $304,166.67, with the first payment due on November 29, 2020, and subsequent payment due on May 29th and November 29th of each year until the Maturity Date.

In connection with the UL BOS Transaction, Unique Logistics Holdings, Inc purchased from the minority shareholder, the remaining twenty percent (20%) of the UL BOS Common Stock for a purchase price of up to $290,000 to be paid in accordance with the following (a) $90,000 to be paid in monthly cash payments of $2,500 for a period of thirty-six (36) months, and (b) the assumption of up to $200,000 of debt owed to UL HK. In connection with the UL BOS Transaction, Unique Logistics Holdings, Inc entered into an employment agreement with the minority shareholder dated May 29, 2020 (the "UL BOS Employment Agreement"). The UL BOS Employment Agreement contains an initial term of three years, beginning on May 29, 2020 and ending on May 29, 2023, following the initial term the employment may be terminated by either party on 60 days' written notice. The UL BOS Employment Agreement provides that the employee will serve as a senior vice president to the Company and will perform the duties and services consistent with the title and function of such office.

In connection with the UL NY Transaction, Unique Logistics Holdings, Inc purchased from the minority shareholder, Unique Logistics Holdings, Inc. Chief Executive Officer, Sunandan Ray, the remaining thirty-five percent (35%) of the UL NY Common Stock for consideration to be paid in accordance with the following (a) the issuance of 7,200,000 shares of the Unique Logistics Holdings common stock and (b) the entrance into and execution of an employment agreement by and between the parties as further described herein (the "Ray Employment Agreement").

Business Overview

Unique Logistics Holdings operations are performed through its wholly owned subsidiaries, UL ATL, UL BOS and UL NY together with "UL ATL", UL BOS and Unique Logistics Holdings, (collectively herein referred to as "Unique Logistics"). Unique Logistics is a global logistics and freight forwarding company.

Unique Logistics provides a range of international logistics services that enable its customers to outsource to the Company sections of their supply chain process. The services provided by Unique Logistics are seamlessly managed by its network of trained employees and integrated information systems. We enable our customers to share data regarding their international vendors and purchase orders with us, execute the flow of goods and information under their operating instructions, provide visibility to the flow of goods from factory to distribution center or store and when required, update their inventory records.

Our range of services can be categorized as follows:

- Air Freight services
- Ocean Freight services
- Customs Brokerage and Compliance services
- Warehousing and Distribution services
- Order Management

Air Freight Services

Operating as an Indirect Air Carrier (IAC) or an airfreight consolidator, Unique Logistics provides both time and cost-effective air freight options to its customers. An expansive global network enables the Company to offer door to door service enabling customers to benefit from our expert staff for guidance with the physical movement of cargo and documentation compliance. Cargo space is booked with the airline ahead of time and arrangements are made to receive the cargo into a designated warehouse. Upon receipt cargo is inspected and weighed. Documentation is collected and export clearance is processed. Once cargo is cleared it is prepared for departure. Unique Logistics offers real-time tracking visibility for customers to view when an order is booked, departs and arrives. Unique Logistics contracts with a worldwide network of airlines to provide the best airfreight service in assisting importers to ship using the most efficient and cost-effective method. Some of the selections we offer include:

- Domestic, deferred, express and charter services
- Port to Port and Door to Door
- Global blocked space agreements (BSA)
- Air and ocean combination move
- Air and transload dedicated truck move
- Dangerous goods handling
- Refrigerated cargo

Ocean Freight Services

Operating as an ocean transportation intermediary (“OTI”) to provide ocean freight service both as a non-vessel owning common carrier (“NVOCC”) and freight forwarder, our roles and responsibilities in ocean freight services include the following:

- Selection of most optimal ocean carriers based on both cost and service
- Enter into contract/rate agreement with clients to transport their ocean shipments
- Consolidation of shipments at origin/Deconsolidation of freight at destination
- Arrange to pick-up shipment at origin and deliver at destination
- Prepare and process the documentation/clearance (customs/security) for shipments during ocean transit
- Represent itself as a common carrier that holds itself out to the public to provide ocean transportation, issues its own house bills of lading or equivalent document, but does not operate the vessels by which ocean transportation is provided, and is a shipper in relation to the involved ocean common carrier.

Unique Logistics adds value to its services as follows:

- Ocean freight services are provided in both major and minor trade lanes with representation in all trading nations in Americas, Asia, and Europe
- Securing space on required ocean carrier services based on customer requirement
- Provides options to customers on ocean carrier service choices prior to final selection
- Communicates on any regulations/compliances on exporting and importing shipments on ocean freight routing
- Will play intermediary role at any point of ocean transportation based on customer's routing preferences
- Customer will be provided with one-stop service without having to interact with multiple players to complete their shipment transaction
- During high demand period, space acquisition on carrier service is provided for committed delivery, and in weak demand season, lower price option is provided for utmost cost saving.

Customs Brokerage and Compliance Services

Unique Logistics is a licensed United States customs broker ensuring importers are compliant with all required regulations. Our services help importers clear cargo with Customs and Border Protection including documentation collection, valuation review, product classification, electronic submission to customs and the collection and payment of duties, tariffs and fees. Unique Logistics works with importers to develop a compliant trade program including product databases, compliance manuals and periodic internal audits. The development of product databases has become critical in the current economic environment due to the China Tariffs effective in 2018 and exclusions effective in 2019. Strict analysis is conducted to determine if importers can obtain any refunds as a result of the exclusions. Unique Logistics also offers importers tools to improve on efficiency such as reporting, visibility and trade consulting including training seminars. Additional services include:

- Preparation of the Import Security Filing (10+2) required to be on file 24 hours prior to shipment departure.
- Clearance and compliance with other government agencies such as FDA, U.S. Department of Agriculture, Consumer Product Safety Commission and Fish & Wildlife.
- Focused assessment and internal audit to determine and eliminate weak areas of compliance
- Post-entry service to change past entries and take advantage of tariff exclusions granted after the original entry was processed.
- Binding rulings to obtain pre-entry classification
- Classification & Valuation
- Trade agreements
- Warehouse entries to differ duty
- Licensing and country of origin marking requirements
- Free Trade Zone (FTZ)
- Duty drawback to get duty back on items exported under certain requirements
- 100% Cargo insurance coverage

Warehousing and Distribution Services

Unique Logistics operates warehousing facilities in Santa Fe Springs, CA and in Jamaica, NY and plans to expand such services through its own managed facilities. Unique Logistics also provides warehousing and distribution services through third party facilities.

Warehousing and Distribution services enable Unique Logistics to greatly expand its involvement in our customers' supply chain, post arrival of international shipments into the United States. Services include the following:

- Transloading of cargo from incoming containers to trucks for delivery.
- Pick and pack services.
- Quality control services under customer instructions.
- Kitting.
- Storage.
- Inventory management.
- Delivery services, including e-Commerce fulfillment services.

Order Management

Unique Logistics offers order management services providing importers with total visibility of every order from the time placed with the supplier to door delivery. Importers send orders electronically immediately upon creation giving the Company the ability to assist in firmly holding suppliers to shipping windows. Ultimately this results in optimizing consolidation and improved on-time delivery. Order management also gives importers the power to control their supply chain by monitoring key milestone events, track order status and manage delivery to the end consumer.

Order Management features:

Importer and vendor EDI integration

Key milestone notifications customized per importers' requirements

Vendor, booking and document management

Customized reporting including exception reporting for maximum efficiency

Consolidation management

Tracking visibility in real-time

Other Benefits include:

- Single Data Platform
- Avoids a manual booking process
- Eliminates unnecessary data entry
- Document visibility and historical recordkeeping
- Vendor KPI management
- Live milestone updates

Strategy

Unique Logistics has established plans to grow the business by focusing on three key areas: (1) Warehousing and Distribution; (2) Expanding sales and marketing reach in the United States to grow our other business products; and (3) Specialized services to United States companies on their overseas logistics needs in targeted Asian markets.

We believe the above steps will drive organic growth. Organic growth will be supplemented with strategic acquisitions that enable geographical market access as well as strategic service product growth, particularly in the area of Warehousing and Distribution services.

We expect to significantly improve efficiencies in the areas of procurement, customer service, finance and administration and management. We believe this will result in much lower overhead and the ability to build a uniform marketing strategy to build market share and further brand recognition of Unique Logistics throughout the United States.

The Company is also cognizant of the international service needs of our customers, many of whom are United States manufacturers of products that are distributed globally. Such customers have Warehousing and Distribution needs, along with trade advisory services in countries where they are not established. We will focus on China, India, Vietnam and Indonesia as strategic areas where the Company's services will be offered to United States exporters. These countries will be part of our international investment strategy in the future.

Unique Logistics will continuously assess its Information Technology environment based on emerging trends in logistics and customer requirements. The first step in the strategy is already in place: a single operating platform. We will continue to build add-on service tools that enhance our operating platform. One key area for technology focus will be the seamless delivery of e-Commerce services from origin to consumer with shipment visibility for both customer and customer's consumer.

Growth Strategy

Strategic Acquisitions

We currently maintain an option to acquire ownership of significant ULHK foreign subsidiaries that are critical to our ability to meet our customers' international requirements. Through the Consulting Services Agreement between the Company and GEFD, we will ensure that the international brand of Unique Logistics and the seamless services provided to customers remains in place even before the options to acquire ULHK's foreign subsidiaries is exercised. Additionally, it is our intention to increase our business by seeking additional opportunities through potential domestic acquisitions, revenue sharing arrangements, partnerships or investments.

Organic Growth

We plan to focus on developing business domestically to drive organic growth. Since the Management Buyout Transaction, we have significantly improved our operating efficiencies in the areas of procurement, customer service, finance and administration and management focus of our wholly-owned subsidiaries. We believe this will result in much lower overhead and the ability to build a uniform marketing strategy to build market share and further the brand recognition of Unique Logistics throughout the United States. Additionally, the Company will continuously assess its Information Technology environment based on emerging trends in logistics and customer requirements. The first step in the strategy is already in place: a single operating platform. We will continue to build add-on service tools that enhance our operating platform. One key area for technology focus will be the seamless delivery of e-Commerce services from origin to consumer with shipment visibility for both customer and the customer's consumer.

Specifically, the Company has well established plans to build business by focusing on three key areas: (1) Warehousing and Distribution; (2) Expanding sales and marketing reach in the United States to grow our other business products; and (3) Specialized services to United States companies on their overseas logistics needs in targeted Asian markets.

Warehousing and Distribution

Unique Logistics has successfully established a major warehousing facility in Santa Fe Springs, CA and now has in-house the management expertise (commercial as well as operational) in successfully managing such facilities. Unique Logistics has also identified a method of identifying growth opportunities by focusing on specific areas of the United States and existing well-constructed facilities where lease assumption is available with an existing customer base.

Expanding Other Existing Business Products

We believe Unique Logistics' business base that includes three out of the fifty largest importers in the United States can be expanded by building our sales organization and the support organization to successfully deliver our brand of service. The targeted growth areas include Charlotte, NC, Dallas, TX, Houston, TX and Seattle, WA.

Specialized Services to US Companies in Overseas Markets

Unique Logistics has several decades of experience in Asian markets such as China, India, Vietnam and Indonesia. Unique Logistics is constantly dealing with a United States customer base that seeks to do business in these areas but require local expertise. We have the experience and the connections to assist United States companies with local importation, local warehousing and distribution and other local logistics and trade compliance services. We plan to build on our expertise in these four specific countries to build tailored services to US customers, including in business consulting pertaining to logistics and related trade services.

Industry Overview and Competition

The logistics industry is competitive and fragmented. We provide a range of logistics services within the spectrum of the supply chain and in each area of service we face competition from companies operating within that service segment as well as companies that provide a wider range of global services.

The industry includes specialized Non-Vessel Owning Common Carriers ("NVOCCs") and Indirect Air Carriers ("IACs"), freight forwarders, trucking companies, customs brokers and warehouse operators who operate within their specialized space and very often pose pricing advantages within that segment. We often compete with them, just as we compete against larger players who provide all or most of such services.

Our mission is to bring value to our customers over a wide range of the supply chain through specific competitive advantages:

- Trained, experienced staff with knowledge of those areas of the world where customers are likely to require problem solving abilities.
- Trained, experienced staff with knowledge of the various supply chain segments: Air, Ocean, Customs, Warehousing and Information Technology integration.
- Responsive customer service and the ability to meet our customer needs with people at the front of well-established processes.

Government Regulations and Security

Our industry is subject to regulation and supervision by several governmental authorities.

Operations

The U.S. Department of Transportation ("DOT"), the Federal Aviation Administration ("FAA") and the U.S. Department of Homeland Security, through the Transportation Security Administration ("TSA"), have regulatory authority over our air transportation services. The Federal Aviation Act of 1958, as amended, is the statutory basis for DOT and FAA authority and the Aviation and Transportation Security Act of 2001, as amended, is the basis for TSA aviation security authority.

All United States indirect air carriers are required to maintain prescribed security procedures and are subject to periodic audits by TSA. Our overseas offices and agents are licensed as airfreight forwarders in their respective countries of operation. Our offices are licensed as an airfreight forwarder from the International Air Transport Association (IATA), a voluntary association of airlines and air transport related entities that prescribes certain operating procedures for airfreight forwarders acting as agents for its members.

The shipping of goods by sea is regulated by the Federal Maritime Commission ("FMC"). Our Company is licensed by the FMC to operate as an Ocean Transportation Intermediary ("OTI") and as a NVOCC. As a licensed OTI and NVOCC we are required to comply with several regulations, including the filing of our tariffs.

Under Department of Homeland Security regulations, we are a qualified participant in the Customs- Trade Partnership Against Terrorism ("C-TPAT") program requiring us to be compliant with relevant security procedures in our operations.

We are licensed as a customs broker by the Customs and Border Protection (CBP) agency of DHS, nationally and in each U.S. customs district in which we do business. All United States customs brokers are required to maintain prescribed records and are subject to periodic audits by CBP. In other jurisdictions in which we perform customs clearance services, we are licensed by the appropriate governmental authority where such license is required to perform these services.

We do not believe that current United States and foreign governmental regulations impose significant economic restraint upon our business operations. However, the regulations of foreign governments can impose barriers to our ability to provide the full range of our business activities in a wholly or majority United States-owned subsidiary. For example, foreign ownership of a customs brokerage business is prohibited in some jurisdictions and, less frequently, the ownership of the licenses required for freight forwarding and/or freight consolidation is restricted to local entities. When we encounter this sort of governmental restriction, we work to establish a legal structure that meets the requirements of the local regulations, while also providing the substantive operating and economic advantages that would be available in the absence of such regulation. This can be accomplished by creating a joint venture or exclusive agency relationship with a qualified local entity that holds the required license.

Environmental

We are subject to federal, state and local environmental laws and regulations across all of our business units. These laws and regulations cover a variety of processes, including, but not limited to: proper storage, handling and disposal of waste materials; appropriately managing wastewater and stormwater; monitoring and maintaining the integrity of underground storage tanks; complying with laws regarding clean air, including those governing emissions; protecting against and appropriately responding to spills and releases and communicating the presence of reportable quantities of hazardous materials to local responders. We have established site- and activity-specific environmental compliance and pollution prevention programs to address our environmental responsibilities and remain compliant. In addition, we have created numerous programs which seek to minimize waste and prevent pollution within our operations.

Employees

As of October 8, 2020, the Company had 90 employees. None of our employees are represented by a union or covered by a collective bargaining agreement. We have not experienced any work stoppages and we consider our relationship with our employees to be good. For further information see Section 5.02 below.

DESCRIPTION OF PROPERTY

Our corporate headquarters is currently located at 154-09 146th Avenue, Jamaica, NY 11434 where we occupy 2,219 square feet. Monthly rent for this space is approximately $4,600 per month and our lease expires on April 30, 2024.

A full list of properties leased by the Company are set out below:

LOCATION CITY, STATE	LEASE EXPIRATION	MONTHLY RENT	SQUARE FEET	FUNCTION
JAMAICA, NY	4/30/2024	$4,813.75	2,219	OFFICE
JAMAICA, NY	7/15/2022	$4,000.00	1,440	WAREHOUSE
ATLANTA, GA	10/31/2028	$13,227.67	5,669	OFFICE
CHELSEA, MA	9/30/2022	$900.00	600	OFFICE
MIDDLETON, MA	7/31/2025	$10,620.75	5,202	OFFICE
SANTA FE SPRINGS, CA	10/15/2022	$108,410.96	110,791	WAREHOUSE/ OFFICE
CHARLOTTE, NC	6/302025	$3,896.06	1,889	OFFICE
ITASCA, IL	2/28/2021	$2,002.32	1,028	OFFICE
ROANOKE, VA	6/1/2021	$595.57	685	OFFICE

Our spaces are utilized for office and warehouse purposes and it is our belief that the spaces are adequate for our immediate needs. Additional space may be required as we expand our business activities. We do not foresee any significant difficulties in obtaining additional facilities if deemed necessary.

RISK FACTORS

You should carefully consider the risks described below together with all of the other information included in this report before making an investment decision with regard to our securities. The statements contained in or incorporated into this offering that are not historic facts are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by forward-looking statements. If any of the following risks actually occurs, our business, financial condition or results of operations could be harmed. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment.

RISKS RELATED TO OUR COMPANY AND OUR INDUSTRY

THE COMPANY PROVIDES SERVICES TO CUSTOMERS ENGAGED IN INTERNATIONAL COMMERCE. EVERYTHING THAT AFFECTS INTERNATIONAL TRADE HAS THE POTENTIAL TO EXPAND OR CONTRACT OUR PRIMARY MARKET AND ADVERSELY IMPACT OUR OPERATING RESULTS. FOR EXAMPLE, INTERNATIONAL TRADE IS INFLUENCED BY:

- currency exchange rates and currency control regulations;
- interest rate fluctuations;
- changes and uncertainties in governmental policies and inter-governmental disputes, which could result in increased tariff rates, quota restrictions, trade barriers and other types of restrictions;
- changes in and application of international and domestic customs, trade and security regulations;
- wars, strikes, civil unrest, acts of terrorism, and other conflicts;
- changes in labor and other costs;
- natural disasters and pandemics;
- changes in consumer attitudes regarding goods made in countries other than their own;
- changes in availability of credit;
- changes in the price and readily available quantities of oil and other petroleum-related products; and
- increased global concerns regarding working conditions and environmental sustainability.

WE HAVE CUSTOMERS WHO ARE RETAILERS AND THUS, SUBJECT TO THE IMPACT OF COVID RELATED RISKS AND RESTRICTIONS.

Our customer base includes several customers whose business involves retail to the public through brick and mortar stores, many of them in shopping malls. In the period February to May 2020 many such customers faced significant downturn in their business resulting in shut down of supply chains and business loss for our Company. By August 2020, most of these customers are back on track with business levels gradually returning to pre-Covid19 levels. However, the risk of a resurgence of infections or a permanent decline in brick and mortar retail as a fallout of the pandemic could result in significant shift in the business of some of our customers.

WE DEPEND ON OPERATORS OF AIRCRAFTS, SHIPS, TRUCKS, PORTS AND AIRPORTS.

The financial condition of asset-based service providers can have a direct impact on our operations. For example, several ocean carriers have consolidated, with the potential for more consolidations to occur in the industry. The financial results reported by ocean carriers has been an industry concern for several years and bankruptcies such as that of Hanjin Shipping has aggravated those concerns. The combination of reduced carrier capacity and pricing volatility is a risk in our business and our inability to secure shipping capacity or face costs that we cannot pass on to our customers could materially affect our results. Our dependence on third parties to provide equipment and services may impact the delivery and quality of our transportation and logistics services.

WE DERIVE A SIGNIFICANT PORTION OF OUR TOTAL REVENUES AND NET REVENUES FROM OUR LARGEST CUSTOMERS.

Our top eight (8) customers comprise approximately forty five percent (45%) of our consolidated total revenues and forty-five percent (45%) of consolidated net revenues. Our largest customer comprises approximately twelve percent (12%) of our consolidated total revenues. The sudden loss of any of our major customers could materially and adversely affect our operating results.

DUE TO OUR DEPENDENCE ON A LIMITED NUMBER OF CUSTOMERS, WE ARE SUBJECT TO A CONCENTRATION OF CREDIT RISK.

As of September 1, 2020, eight (8) customers accounted for approximately sixty eight percent (68%) of our accounts receivable. In the case of insolvency by one of our significant customers, accounts receivable with respect to that customer might not be collectible, might not be fully collectible, or might be collectible over longer than normal terms, each of which could adversely affect our financial position. Additionally, our 8 largest customers accounted for approximately forty five percent (45%) of our total revenues for the six months ended June 30, 2020. This concentration of credit risk makes us more vulnerable economically. The loss of any of these customers could materially reduce our revenues and net income, which could have a material adverse effect on our business.

WE RELY ON TECHNOLOGY TO OPERATE OUR BUSINESS.

Our continued success is dependent on our systems continuing to operate and to meet the changing needs of our customers and users. We rely on our technology staff and vendors to successfully implement changes to and maintain our operating systems in an efficient manner. If we fail to maintain and enhance our operating systems, we may be at a competitive disadvantage and lose customers.

As demonstrated by recent material and high-profile data security breaches, computer malware, viruses, and computer hacking and phishing attacks have become more prevalent, have occurred on our systems in the past, and may occur on our systems in the future. Previous attacks on our systems have not had a material financial impact on our operations, but we cannot guarantee that future attacks will have little to no impact on our business.

Though it is difficult to determine what, if any, harm may directly result from any specific interruption or attack, a significant impact on the performance, reliability, security, and availability of our systems and technical infrastructure to the satisfaction of our users may harm our reputation, impair our ability to retain existing customers or attract new customers, and expose us to legal claims and government action, each of which could have a material adverse impact on our financial condition, results of operations, and growth prospects.

OUR EARNINGS MAY BE AFFECTED BY SEASONAL CHANGES IN THE TRANSPORTATION INDUSTRY.

Results of operations for our industry generally show a seasonal pattern as customers reduce shipments during and after the winter holiday season. Historically, income from operations and earnings are lower in the first quarter than in the other three quarters. We believe this historical pattern has been the result of, or influenced by, numerous factors, including national holidays, weather patterns, consumer demand, economic conditions, and other similar and subtle forces. Although seasonal changes in the transportation industry have not had a significant impact on our cash flow or results of operations, we expect this trend to continue and we cannot guarantee that it will not adversely impact us in the future.

OUR BUSINESS IS AFFECTED BY EVER INCREASING REGULATIONS FROM A NUMBER OF SOURCES IN THE UNITED STATES AND IN FOREIGN LOCATIONS IN WHICH WE OPERATE.

Many of these regulations are complex and require varying degrees of interpretation, including those related to trade compliance, data privacy, employment, compensation and competition, and may result in unforeseen costs.

In reaction to the continuing global terrorist threat, governments around the world are continuously enacting or updating security regulations. These regulations are multi-layered, increasingly technical in nature and characterized by a lack of harmonization of substantive requirements among various governmental authorities. Furthermore, the implementation of these regulations, including deadlines and substantive requirements, can be driven by regulatory urgencies rather than industry's realistic ability to comply.

Failure to consistently and timely comply with these regulations, or the failure, breach or compromise of our policies and procedures or those of our service providers or agents, may result in increased operating costs, damage to our reputation, difficulty in attracting and retaining key personnel, restrictions on operations or fines and penalties.

WE ARE SUBJECT TO NEGATIVE IMPACTS OF CHANGES IN POLITICAL AND GOVERNMENTAL CONDITIONS.

Our operations are subject to the influences of significant political, governmental, and similar changes and our ability to respond to them, including:

- changes in political conditions and in governmental policies;
- changes in and compliance with international and domestic laws and regulations; and
- wars, civil unrest, acts of terrorism, and other conflicts.

WE MAY BE SUBJECT TO NEGATIVE IMPACTS OF CATASTROPHIC EVENTS.

A disruption or failure of our systems or operations in the event of a major earthquake, weather event, cyber-attack, heightened security measures, actual or threatened, terrorist attack, strike, civil unrest, pandemic, or other catastrophic event could cause delays in providing services or performing other critical functions. A catastrophic event that results in the destruction or disruption of any of our critical business or information systems could harm our ability to conduct normal business operations and adversely impact our operating results.

OUR INTERNATIONAL OPERATIONS SUBJECT US TO OPERATIONAL AND FINANCIAL RISKS.

We provide services within and between foreign countries on an increasing basis. Our business outside of the United States is subject to various risks, including:

- changes in tariffs, trade restrictions, trade agreements, and taxations;
- difficulties in managing or overseeing foreign operations and agents;
- limitations on the repatriation of funds because of foreign exchange controls;
- different liability standards; and
- intellectual property laws of countries that do not protect our rights in our intellectual property, including, but not limited to, our proprietary information systems, to the same extent as the laws of the United States.

The occurrence or consequences of any of these factors may restrict our ability to operate in the affected region and/or decrease the profitability of our operations in that region.

As we continue to expand our business internationally, we expose the Company to increased risk of loss from foreign currency fluctuations and exchange controls, as well as longer accounts receivable payment cycles. Foreign currency fluctuations could result in currency exchange gains or losses or could affect the book value of our assets and liabilities. Furthermore, we may experience unanticipated changes to our income tax liabilities resulting from changes in geographical income mix and changing international tax legislation. We have limited control over these risks, and if we do not correctly anticipate changes in international economic and political conditions, we may not alter our business practices in time to avoid adverse effects.

THE COMPANY OPERATES IN A COMPETITIVE ENVIRONMENT.

Many of the Company's current and potential competitors have longer operating histories, greater name recognition, more employees, and significantly greater financial, technical, marketing, public relations, and distribution resources than the Company. The competitive environment may require the Company to make changes in the Company's pricing or marketing to maintain and extend the Company's current brand and market position. Price concessions or the emergence of other pricing or distribution strategies of competitors may diminish the Company's revenues, impact the Company's margins, or lead to a reduction in the Company's market share, any of which will harm the Company's business.

AS A MULTINATIONAL CORPORATION, WE ARE SUBJECT TO FORMAL OR INFORMAL INVESTIGATIONS FROM GOVERNMENTAL AUTHORITIES OR OTHERS IN THE COUNTRIES IN WHICH WE DO BUSINESS.

We may become subject to civil litigation with our customers, service providers and other parties with whom we do business. These investigations and litigation may require significant management time and could cause us to incur substantial additional legal and related costs, which may include fines, penalties or damages that could have a materially adverse impact on our financial results.

THE GLOBAL ECONOMY AND CAPITAL AND CREDIT MARKETS CONTINUE TO EXPERIENCE UNCERTAINTY AND VOLATILITY.

Unfavorable changes in economic conditions may result in lower freight volumes and adversely affect the Company's revenues and operating results, as experienced in 2009 and 2012. These conditions may adversely affect certain of our customers and service providers. Were that to occur, our revenues and net earnings could also be adversely affected. Should our customers' ability to pay deteriorate, additional bad debts may be incurred. Volatile market conditions can create situations where rate increases charged by carriers and other service providers are implemented with little or no advance notice. We often times cannot pass these rate increases on to our customers in the same time frame, if at all. As a result, our yields and margins can be negatively impacted, as recently experienced, particularly with ocean freight.

THE IMPLEMENTATION OF THE COMPANY'S BUSINESS STRATEGY WILL REQUIRE SIGNIFICANT EXPENDITURE OF CAPITAL AND WILL REQUIRE ADDITIONAL FINANCING.

The implementation of the Company's business strategy will require significant expenditures of capital, and the Company will require additional financing. Additional funds may be sought through equity or debt financings. The Company cannot offer any assurances that commitments for such financings will be obtained on favorable terms, if at all. Equity financings could result in dilution to holders and debt financing could result in the imposition of significant financial and operational restrictions on the Company. The Company's inability to access adequate capital on acceptable terms could have a material adverse effect on the Company's business, results of operations and financial condition.

THE COMPANY'S FAILURE TO CONTINUE TO ATTRACT, TRAIN, OR RETAIN HIGHLY QUALIFIED PERSONNEL COULD HARM THE COMPANY'S BUSINESS.

The Company's success also depends on the Company's ability to attract, train, and retain qualified personnel, specifically those with management and product development skills. Competition for such personnel is intense, particularly in high-technology centers. If the Company does not succeed in attracting new personnel or retaining and motivating the Company's current personnel, the Company's business could be harmed.

RISKS RELATED TO OUR COMMON STOCK

WE MAY BE SUBJECT TO PENNY STOCK RULES WHICH WILL MAKE THE SHARES OF OUR COMMON STOCK MORE DIFFICULT TO SELL.

We may be subject now and in the future to the SEC's "penny stock" rules if our shares common stock sell below $5.00 per share. Penny stocks generally are equity securities with a price of less than $5.00. The penny stock rules require broker-dealers to deliver a standardized risk disclosure document prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer must also provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson, and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information must be given to the customer orally or in writing prior to completing the transaction and must be given to the customer in writing before or with the customer's confirmation.

In addition, the penny stock rules require that prior to a transaction the broker dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. The penny stock rules are burdensome and may reduce purchases of any offerings and reduce the trading activity for shares of our common stock. As long as our shares of common stock are subject to the penny stock rules, the holders of such shares of common stock may find it more difficult to sell their securities.

SALES OF OUR CURRENTLY ISSUED AND OUTSTANDING STOCK MAY BECOME FREELY TRADABLE PURSUANT TO RULE 144 AND MAY DILUTE THE MARKET FOR YOUR SHARES AND HAVE A DEPRESSIVE EFFECT ON THE PRICE OF THE SHARES OF OUR COMMON STOCK

A substantial majority of our outstanding shares of common stock are "restricted securities" within the meaning of Rule 144 under the Securities Act. As restricted shares, these shares may be resold only pursuant to an effective registration statement or under the requirements of Rule 144 or other applicable exemptions from registration under the Act and as required under applicable state securities laws. Rule 144 provides in essence that an Affiliate (as such term is defined in Rule 144(a)(1)) of an issuer who has held restricted securities for a period of at least six months (one year after filing Form 10 information with the SEC for shell companies and former shell companies) may, under certain conditions, sell every three months, in brokerage transactions, a number of shares that does not exceed the greater of 1% of a company's outstanding shares of common stock or the average weekly trading volume during the four calendar weeks prior to the sale (the four calendar week rule does not apply to companies quoted on the OTC Bulletin Board). Rule 144 also permits, under certain circumstances, the sale of securities, without any limitation, by a person who is not an Affiliate of the Company and who has satisfied a one-year holding period. A sale under Rule 144 or under any other exemption from the Act, if available, or pursuant to subsequent registrations of our shares of common stock, may have a depressive effect upon the price of our shares of common stock in any active market that may develop.

YOU WILL EXPERIENCE DILUTION OF YOUR OWNERSHIP INTEREST BECAUSE OF THE FUTURE ISSUANCE OF ADDITIONAL SHARES OF OUR COMMON STOCK AND OUR PREFERRED STOCK.

In the future, we may issue our authorized but previously unissued equity securities, resulting in the dilution of the ownership interests of our present stockholders. We are currently authorized to issue an aggregate of 505,000,000 shares of capital stock consisting of 500,000,000 shares of common stock, par value $0.001 and 5,000,000 shares of preferred stock, par value $0.001.

We may also issue additional shares of our common stock or other securities that are convertible into or exercisable for common stock in connection with hiring or retaining employees or consultants, future acquisitions, future sales of our securities for capital raising purposes, or for other business purposes. The future issuance of any such additional shares of our common stock or other securities may create downward pressure on the trading price of our common stock. There can be no assurance that we will not be required to issue additional shares, warrants or other convertible securities in the future in conjunction with hiring or retaining employees or consultants, future acquisitions, future sales of our securities for capital raising purposes or for other business purposes, including at a price (or exercise prices) below the price at which shares of our common stock are trading.

WE DO NOT EXPECT TO PAY DIVIDENDS AND INVESTORS SHOULD NOT BUY OUR COMMON STOCK EXPECTING TO RECEIVE DIVIDENDS.

We have not paid any dividends on our common stock in the past, and do not anticipate that we will declare or pay any dividends in the foreseeable future. Consequently, investors will only realize an economic gain on their investment in our common stock if the price appreciates. Investors should not purchase our common stock expecting to receive cash dividends. Because we do not pay dividends, and there may be limited trading, investors may not have any manner to liquidate or receive any payment on their investment. Therefore, our failure to pay dividends may cause investors to not see any return on investment even if we are successful in our business operations. In addition, because we do not pay dividends we may have trouble raising additional funds, which could affect our ability to expand our business operations.

MANAGEMENT

Executive Officers and Directors

The following table sets forth, as of the date hereof, the names and ages of our executive officers and directors, and their respective positions and offices held.

Name	Age	Position
Sunandan Ray	62	Chief Executive Officer, Director
David Briones	44	Director
Patrick Lee	43	Director

A brief biography of each of our directors is more fully set forth in Item 5.02, which is incorporated herein by reference.

Committees

We currently do not have any committees in place but anticipate establishing an audit committee, compensation committee and governance and nominating committee in the near future.

Independent Directors

For purposes of determining independence, the Company has adopted the definition of independence as contained in NASDAQ Market Place Rules 4200. Pursuant to the definition, the Company has determined that one of its directors, David Briones, currently qualifies as independent.

Employment Agreements

Section 5.02(e) is hereby incorporated by reference.

Family Relationships

There are no family relationships amongst our officers and directors.

Code of Ethics

We currently do not have a code of ethics that applies to our officers, employees and directors, including our Chief Executive Officer and senior executives.

EXECUTIVE COMPENSATION

Innocap Summary Compensation

The Summary Compensation Table shows certain compensation information for services rendered in all capacities for the fiscal years ended January 31, 2020 and 2019. Other than as set forth herein, no executive officer's salary and bonus exceeded $100,000 in any of the applicable years. The following information includes the dollar value of base salaries, bonus awards, the number of stock options granted and certain other compensation, if any, whether paid or deferred.

		Annual Compensation			Long Term Compensation			
					Awards		Payouts	
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Restricted Stock Awards ($)	Securities Underlying Options SARs (#)	LTIP Payouts ($)	All Other Compensation ($)
Paul Tidwell, President	2020	-0-	-0-	-0-	-0-	-0-	-0-	100,000 (1)
	2019	-0-	-0-	-0-	-0-	-0-	-0-	100,000 (1)

(1) Amounts have been accrued but not paid. These amounts have been assumed by the Split Off Subsidiary in connection with the Merger.

Outstanding Equity Awards at Fiscal Year End

There are no outstanding equity awards at January 31, 2020.

Unique Logistics Summary Compensation

The Summary Compensation Table shows certain compensation information for services rendered in all capacities for the fiscal years ended May 31, 2020 and 2019. The following information includes the dollar value of base salaries, bonus awards, the number of stock options granted and certain other compensation, if any, whether paid or deferred.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Totals ($)
Sunandan Ray	2020	225,000	0	0	0	0	0	12,00	237,000
Chief Executive Officer(1)	2019	225,000						12,000	237,000

1. Mr. Ray became the Company's Chief Executive Officer and director on October 28,2019. Prior to that date, Mr. Ray was the minority owner and Chief Executive Officer of UL NY and wages reflected in the table represent compensation for his services in such capacity.

Aggregated Option Exercises and Fiscal Year-End Option Value Table

There were no stock options exercised in the last two fiscal years through the date of this Current Report on Form 8-K by the executive officers named in the Summary Compensation Tables.

Long-Term Incentive Plan ("LTIP") Awards Table

There were no awards made to named executive officers in the last completed fiscal year under any LTIP.

Compensation of Directors

Currently the Company does not pay its board members for their service to the Board but, it may do so in the future.

Option Plan

We currently do not have a Stock Option Plan, however, we may wish to issue stock options pursuant to a Stock Option Plan in the future. Such stock options may be awarded to management, employees, members of the Company's Board of Directors and consultants of the Company.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Great Freight Eagle Limited

On May 29, 2020, in connection with the Management Buyout Transaction, Unique entered into a consulting services agreement (the "GEFD Consulting Agreement") with Great Eagle Freight Limited, a Hong Kong company ("Great Eagle").The GEFD Consulting Agreement has a term of three (3) years, and provides that Great Eagle shall provide Unique with agents management services, accounting and financial controls support, Cargo Wise support, IT support, and support, troubleshooting, and liaison services related to the management of agents affiliates of Unique (collectively the "Consulting Services"). Pursuant to the Great Eagle Consulting Agreement, Unique shall pay Great Eagle $500,000 per year with quarterly installments of $125,000 as consideration for the Consulting Services. The Great Eagle Consulting Agreement also provides that Great Eagle may provide certain business introductory services (the "Additional Services") to Unique for the first year of the GEFD Consulting Agreement. The GEFD Consulting Agreement provides that Unique shall pay to Great Eagle additional fees of $5 per House Bill of Lading or House Air Waybill for new business introduced by Great Eagle, and for a period of twenty four (24 months) a commission of 7% of the net profit, as defined therein, on business with specific customers of the Unique Charlotte office as provided therein.

Patrick Lee, a Director of the Company, is an officer and director and partial owner of Great Eagle. At the Closing and in connection with the Merger, the Company has assumed the GEFD Consulting Agreement.

Other than the aforementioned, none of our officers, directors, proposed director nominees, beneficial owners of more than 10% of our shares of common stock, or any relative or spouse of any of the foregoing persons, or any relative of such spouse who has the same house as such person or who is a director or officer of any parent or subsidiary of our Company, has any direct or indirect material interest in any transaction to which we are a party since our incorporation or in any proposed transaction to which we are proposed to be a party. In the event a related party transaction is proposed, such transaction will be presented to our board of directors for consideration and approval. Any such transaction will require approval by a majority of the disinterested directors and such transactions will be on terms no less favorable than those available to disinterested third parties.

PRE-CLOSING PRINCIPAL STOCKHOLDERS

The following table provides the names and addresses of each person known to us to own more than 5% of our outstanding shares of common stock as of October 9, 2020, and by the officers and directors, individually and as a group. Except as otherwise indicated, all shares are owned directly, and the shareholders listed possess sole voting and investment power with respect to the shares shown.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Class
Paul Tidwell, 112 N. Walnut Street, PO Box 489, Jefferson, TX 75657*	95,606,489	55.6
Charles E. Hill & Associates, Inc., 112 N. Walnut Street, PO Box 489, Jefferson, TX 75657**	11,000,000	6.4
Officers and Directors as a group (1 member)	95,606,489	55.6

** Includes 1,000,000 shares held by Charles E. Hill

POST-CLOSING PRINCIPAL STOCKHOLDERS

The following table sets forth, as of October 9, 2020, the number of shares of our common stock owned by (i) each person who is known by us to own of record or beneficially five percent (5%) or more of our outstanding shares, (ii) each of our directors, (iii) each of our executive officers and (iv) all of our directors and executive officers as a group. Unless otherwise indicated, each of the persons listed below has sole voting and investment power with respect to the shares of our common stock beneficially owned. To our knowledge, except as indicated in the footnotes to the following table, and subject to state community property laws where applicable, all beneficial owners named in the following table have sole voting and investment power with respect to all shares shown as beneficially owned by them. Percentage of ownership is based on 329,995,611 shares of common stock outstanding as of October 9, 2020. The address of our directors and officers is c/o Unique Logistics Holdings, Inc. at 154-09 146th Ave, Jamaica, NY 11434.

POST-CLOSING PRINCIPAL STOCKHOLDERS

The following table sets forth, as of October 9, 2020, the number of shares of our common stock owned by (i) each person who is known by us to own of record or beneficially five percent (5%) or more of our outstanding shares, (ii) each of our directors, (iii) each of our executive officers and (iv) all of our directors and executive officers as a group. Unless otherwise indicated, each of the persons listed below has sole voting and investment power with respect to the shares of our common stock beneficially owned. The address of our directors and officers is c/o Unique Logistics Holdings, Inc. at 154-09 146th Ave, Jamaica, NY 11434.

Name and Address of Beneficial Owner[1]	Outstanding Common Stock [2]	Percentage of Ownership of Common Stock [3]
5% Beneficial Shareholders		%
Paul Tidwell,112 N. Walnut Street, PO Box 489, Jefferson, TX 75657	50,000,000	10 %
Great Eagle Freight Limited [6]	-	34 %
5% Beneficial Shareholders as a Group		
Officers and Directors		
Sunandan Ray [4]	196,394,100	73.28 %
David Briones [5]	-	28.41 %
Patrick Lee [7]	-	2.00 %
		* %
		* %
		* %
Officers and Directors as a Group (3 persons)		%

*Denotes less than 1%

(1) Beneficial ownership is determined in accordance with Rule 13D-3(a) of the Exchange Act and generally includes voting or investment power with respect to securities.

(2) The shares in the table have been listed in accordance with 13-G filings made by the individual investors.

(3) The percentages in the table have been calculated based on treating as outstanding for a particular person, all shares of our common stock outstanding on that date and all shares of our common stock issuable to that holder in the event of exercise of outstanding options, warrants, rights or conversion privileges owned by that person at that date which are exercisable within 60 days of that date. Except as otherwise indicated, the persons listed below have sole voting and investment power with respect to all shares of our common stock owned by them, except to the extent that power may be shared with a spouse.

(4) Mr. Sunandan Ray owns 196,394,100 shares of the Company's common stock. In addition, Mr. Ray owns 686,938 shares of Series B Preferred Stock which convert at a rate of 6,646.47 shares of common stock for every 1 share of Series B Preferred Stock. The Company is limited to 500,000,000 authorized shares of common stock. The Beneficial ownership percentage only considers the common shares that can be converted up to the authorized number of common shares.

(5) Mr. David Briones owns 0 shares of the Company's common stock. In addition, Mr. Briones owns 20,000 shares of Series A Preferred Stock which convert at a rate of 6,646.47 shares of common stock for every 1 share of Series A Preferred Stock. The Company is limited to 500,000,000 authorized shares of common stock. The Beneficial ownership percentage only considers the common shares that can be converted up to the authorized number of common shares.

(6) Great Freight Limited beneficially owns 0 shares of the Company's common stock. In addition, Great Freight Limited beneficially owns 153,062 shares of Series B Preferred Stock owned by Great Eagle Freight Limited which convert at a rate of 6,646.47 shares of common stock for every 1 share of Series B Preferred Stock. The Company is limited to 500,000,000 authorized shares of common stock. The Beneficial ownership percentage only considers the common shares that can be converted up to the authorized number of common shares.

(7) Mr. Patrick Lee beneficially owns 0 shares of the Company's common stock. In addition, Mr. Lee beneficially owns 6% of the 153,062 shares of Series B Preferred Stock owned by Great Eagle Freight Limited which convert at a rate of 6,646.47 shares of common stock for every 1 share of Series B Preferred Stock. The Company is limited to 500,000,000 authorized shares of common stock. The Beneficial ownership percentage only considers the common shares that can be converted up to the authorized number of common shares.

DESCRIPTION OF SECURITIES

General

The Company is authorized to issue an aggregate number of 505,000,000 shares of capital stock, of which 5,000,000 shares are preferred stock, $0.001 par value per share and 500,000,000 shares are common stock, $0.001 par value per share.

Preferred Stock

The Company authorized to issue 5,000,000 shares of preferred stock, $0.001 par value per share. As of October 9,2020, we have 970,000 shares of preferred stock issued and outstanding, consisting of 130,000 shares of Series A Preferred and 840,000 shares of Series B Preferred.

The Company has designated 130,000 shares of preferred stock as Series A Preferred Stock, $0.001 par value per share (the "Series A Preferred"). The holders of Series A Preferred, subject to the rights of holders of shares of the Company's Series B Preferred Stock which shares will be pari passu with the Series A Preferred in terms of liquidation preference and dividend rights, shall be entitled to receive, at their option, immediately prior an in preference to any distribution to the holders of the Company's common stock. $0.001 par value per share and other junior securities, a liquidation preference equal to the stated value per share. Each share of Series A Preferred shall have a stated value equal to $0.001.

Holders of Series A Preferred will vote together with the holders of the Company's Common Stock on an as converted basis on each matter submitted to a vote of holders of Common Stock. In addition, a majority of holders of Series A Preferred shares must provide an affirmative vote to (i) amend the Company's Articles of Incorporation or bylaws in a way that would be adverse to the holders of the Company's Series A Preferred, (ii) redeem or repurchase any capital stock of the Company , (iii) declare or pay dividends on any class of capital stock of the Company, or (iv) issue any securities in parity with (other than shares of Series B Preferred)_or senior to the rights of the Series A Preferred with respect to distributions of assets upon liquidation, dissolution or winding up of the Company.

Each share of the Series A Preferred shall be convertible into fully paid and non-assessable shares of Common Stock at any time or from time to time at each Holder's option, and each share of Series A Preferred shall be convertible into 6,546.47 shares of the Company's common stock. Each holder of Series A Preferred shares shall be subject to limitations on conversions, with such limitations providing that no conversion shall be effected which would result in the converting holder beneficially owning in excess of 4.99% of the shares of the Company's common stock outstanding immediately after giving effect to such conversion (the "Beneficial Ownership Limitation"). By written notice to the Company, a holder of Series A Preferred may from time to time increase or decrease the Beneficial Ownership Limitation upon 60-day written notice to the Company. The Beneficial Ownership Limitation shall be calculated in accordance with Section 13(d) of the Exchange Act.

If and whenever on or after the date on which the holder received shares of Series A Preferred Stock ("the Series A Issuance Date") through the twelve month anniversary date of the Series A Issuance Date (the "Anti-Dilution Termination Date"), the Company issues or sells, or in accordance with the terms herein is deemed to have issued or sold, any shares of Common Stock or common stock equivalents (a "Dilutive Issuance"), the number of shares of common stock issuable upon conversion will be adjusted to entitle the holder to acquire such number of shares of common stock (the "Adjustment Shares") necessary to maintain the holders Fully-Diluted Ownership Percentage at the time of the Series A Issuance Date. "Fully-Diluted Ownership Percentage" shall mean the percentage ownership calculated by dividing (i) the aggregate number of shares issuable upon conversion as of the Series A Issuance Date by (ii) the aggregate number of all issued and outstanding shares of common stock or common stock equivalents of the Company (including any shares of common stock or common stock equivalents which are issuable upon exercise or conversion of options, warrants or other securities or rights within 60 days of the date on which such calculation is being made).

The Company has designated 870,000 shares of preferred stock as Series B Preferred Stock, $0.001 par value per share (the "Series B Preferred"). The holders of Series B Preferred, subject to the rights of holders of shares of the Company's Series A Preferred Stock which shares will be pari passu with the Series B Preferred in terms of liquidation preference and dividend rights, shall be entitled to receive, at their option, immediately prior an in preference to any distribution to the holders of the Company's common stock. $0.001 par value per share and other junior securities, a liquidation preference equal to the stated value per share. Each share of Series B Preferred shall have a stated value equal to $0.001.

Holders of Series B Preferred will vote together with the holders of the Company's Common Stock on an as converted basis on each matter submitted to a vote of holders of Common Stock. In addition, a majority of holders of Series B Preferred shares must provide an affirmative vote to (i) amend the Company's Articles of Incorporation or bylaws in a way that would be adverse to the holders of the Company's Series B Preferred, (ii) redeem or repurchase any capital stock of the Company, (iii) declare or pay dividends on any class of capital stock of the Company, or (iv) issue any securities in parity with (other than shares of Series B Preferred) or senior to the rights of the Series B Preferred with respect to distributions of assets upon liquidation, dissolution or winding up of the Company.

Each share of the Series B Preferred shall be convertible into fully paid and non-assessable shares of Common Stock at any time or from time to time at each Holder's option, and each share of Series B Preferred shall be convertible into 6,546.47 shares of the Company's common stock.

Common Stock

The Company is authorized to issue 505,000,000 shares of common stock, $0.001 par value per share. As of October 9, 2020 we currently have 329,995,611 shares of common stock issued and outstanding and 130,000 shares of Series A Preferred Stock and 840,000 shares Series B Preferred Stock.

Each share of common stock shall have one (1) vote per share for all purpose. Our common stock does not provide a preemptive, subscription or conversion rights and there are no redemption or sinking fund provisions or rights. Our common stock holders are not entitled to cumulative voting for purposes of electing members to our board of directors.

Dividends

We have not paid any cash dividends to our shareholders. The declaration of any future cash dividends is at the discretion of our board of directors and depends upon our earnings, if any, our capital requirements and financial position, our general economic conditions, and other pertinent conditions. It is our present intention not to pay any cash dividends in the foreseeable future, but rather to reinvest earnings, if any, in our business operations.

Warrants

As of October 9, 2020, there are warrants to purchase up to 570,478,452 shares of our common stock at an exercise price of $0.001946, subject to adjustment.

Options

There are no outstanding options to purchase our securities.

While there is no established public trading market for our Common Stock, our Common Stock is quoted on the OTC Markets OTCQB and OTCBB, under the symbol "INNO".

Holders

As of October 9, 2020, we have 329,995,611 shares of our common stock par value, $0.001, issued and outstanding. There are approximately 48 holders of record our common stock.

Transfer Agent and Registrar

The Transfer Agent for our capital stock is Action Stock Transfer Corporation, 2469 E. Fort Union Blvd, Suite 214, Salt Lake City, UT 84121.

Penny Stock Regulations

The Securities and Exchange Commission has adopted regulations which generally define "penny stock" to be an equity security that has a market price of less than $5.00 per share. Our Common Stock, when and if a trading market develops, may fall within the definition of penny stock and be subject to rules that impose additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors (generally those with assets in excess of $1,000,000, or annual incomes exceeding $200,000 individually, or $300,000, together with their spouse).

For transactions covered by these rules, the broker-dealer must make a special suitability determination for the purchase of such securities and have received the purchaser's prior written consent to the transaction. Additionally, for any transaction, other than exempt transactions, involving a penny stock, the rules require the delivery, prior to the transaction, of a risk disclosure document mandated by the Securities and Exchange Commission relating to the penny stock market. The broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and, if the broker-dealer is the sole market-maker, the broker-dealer must disclose this fact and the broker-dealer's presumed control over the market. Finally, monthly statements must be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks. Consequently, the "penny stock" rules may restrict the ability of broker-dealers to sell our Common Stock and may affect the ability of investors to sell their Common Stock in the secondary market.

Dividend Policy

Any future determination as to the declaration and payment of dividends on shares of our Common Stock will be made at the discretion of our board of directors out of funds legally available for such purpose. We are under no contractual obligations or restrictions to declare or pay dividends on our shares of Common Stock. In addition, we currently have no plans to pay such dividends. Our board of directors currently intends to retain all earnings for use in the business for the foreseeable future. See "Risk Factors."

Equity Compensation Plan Information

Currently, there is no equity compensation plan in place.

LEGAL PROCEEDINGS

The Company is not involved in any disputes and does not have any litigation matters pending which the Company believes could have a materially adverse effect on the Company's financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our Company or any of our subsidiaries, threatened against or affecting our Company, our common stock, any of our subsidiaries or of our Company's or our Company's subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

However, from time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

RECENT SALES OF UNREGISTERED SECURITIES

Reference is made to Item 3.02 of this Current Report on Form 8-K for a description of recent sales of unregistered securities, which is hereby incorporated by reference.

INDEMNIFICATION OF OFFICERS AND DIRECTORS

The directors and officers of the Company are indemnified as provided by the Nevada corporate law and our Bylaws. We have agreed to indemnify each of our directors and certain officers against certain liabilities, including liabilities under the Securities Act of 1933. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to our directors, officers and controlling persons pursuant to the provisions described above, or otherwise, we have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than our payment of expenses incurred or paid by our director, officer or controlling person in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

We have been advised that in the opinion of the Securities and Exchange Commission indemnification for liabilities arising under the Securities Act is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities is asserted by one of our directors, officers, or controlling persons in connection with the securities being registered, we will, unless in the opinion of our legal counsel the matter has been settled by controlling precedent, submit the question of whether such indemnification is against public policy to a court of appropriate jurisdiction. We will then be governed by the court's decision.

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

The applicable information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated by reference in this Item 2.03.

Item 3.02 Unregistered Sales of Equity Securities.

The applicable information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated by reference in this Item 3.02.Pursuant to the Merger Agreement dated October 8, 2020, we issued 130,000 shares of our Series A Preferred Stock and 870,000 shares of the Series B Preferred Stock to the Unique Logistics Shareholders, their affiliates or assigns, in exchange for 100% of the outstanding shares of Unique Logistics. Simultaneously with the Closing, the Company issued the Note and Warrant to the Investor. On October 9, 2020, the Company's Chief executive Officer converted 30,000 shares of Series B Preferred Stock into 196,394,100 shares of the Company's common stock

These securities were not registered under the Securities Act. These securities qualified for exemption under Section 4(2) of the Securities Act since the issuance of securities by us did not involve a public offering. The offering was not a "public offering" as defined in Section 4(2) due to the insubstantial number of persons involved in the deal, size of the offering, manner of the offering and number of securities offered. We did not undertake an offering in which we sold a high number of securities to a high number of investors. In addition, these shareholders had the necessary investment intent as required by Section 4(2) of the Securities Act since the Conventions Shareholders agreed to and received share certificates bearing a legend stating that such securities are restricted pursuant to Rule 144 of the Securities Act. This restriction ensures that these securities would not be immediately redistributed into the market and therefore not be part of a "public offering." Based on an analysis of the above factors, we have met the requirements to qualify for exemption under Section 4(2) of the Securities Act.

Item 3.03 Material Modification to Rights of Security Holders.

The applicable information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated by reference in this Item 3.03.

On October 6, 2020, the Company filed two certificates of designations with the Nevada Secretary of State, designating a class of Series A Preferred stock and a class of Series B Preferred stock, as further described below.

Series A Preferred

The Company has designated 130,000 shares of preferred stock as Series A Preferred Stock, $0.001 par value per share (the "Series A Preferred"). The holders of Series A Preferred, subject to the rights of holders of shares of the Company's Series B Preferred Stock which shares will be pari passu with the Series A Preferred in terms of liquidation preference and dividend rights, shall be entitled to receive, at their option, immediately prior an in preference to any distribution to the holders of the Company's common stock. $0.001 par value per share and other junior securities, a liquidation preference equal to the stated value per share. Each share of Series A Preferred shall have a stated value equal to $0.001.

Holders of Series A Preferred will vote together with the holders of the Company's Common Stock on an as converted basis on each matter submitted to a vote of holders of Common Stock. In addition, a majority of holders of Series A Preferred shares must provide an affirmative vote to (i) amend the Company's Articles of Incorporation or bylaws in a way that would be adverse to the holders of the Company's Series A Preferred, (ii) redeem or repurchase any capital stock of the Company , (iii) declare or pay dividends on any class of capital stock of the Company, or (iv) issue any securities in parity with (other than shares of Series B Preferred)_or senior to the rights of the Series A Preferred with respect to distributions of assets upon liquidation, dissolution or winding up of the Company.

Each share of the Series A Preferred shall be convertible into fully paid and non-assessable shares of Common Stock at any time or from time to time at each Holder's option, and each share of Series A Preferred shall be convertible into 6,546.47 shares of the Company's common stock. Each holder of Series A Preferred shares shall be subject to limitations on conversions, with such limitations providing that no conversion shall be effected which would result in the converting holder beneficially owning in excess of 4.99% of the shares of the Company's common stock outstanding immediately after giving effect to such conversion (the "Beneficial Ownership Limitation"). By written notice to the Company, a holder of Series A Preferred may from time to time increase or decrease the Beneficial Ownership Limitation upon 60-day written notice to the Company. The Beneficial Ownership Limitation shall be calculated in accordance with Section 13(d) of the Exchange Act.

If and whenever on or after the date on which the holder received shares of Series A Preferred Stock ("the Series A Issuance Date") through the twelve month anniversary date of the Series A Issuance Date (the "Anti-Dilution Termination Date"), the Company issues or sells, or in accordance with the terms herein is deemed to have issued or sold, any shares of Common Stock or common stock equivalents (a "Dilutive Issuance"), the number of shares of common stock issuable upon conversion will be adjusted to entitle the holder to acquire such number of shares of common stock (the "Adjustment Shares") necessary to maintain the holders Fully-Diluted Ownership Percentage at the time of the Series A Issuance Date. "Fully-Diluted Ownership Percentage" shall mean the percentage ownership calculated by dividing (i) the aggregate number of shares issuable upon conversion as of the Series A Issuance Date by (ii) the aggregate number of all issued and outstanding shares of common stock or common stock equivalents of the Company (including any shares of common stock or common stock equivalents which are issuable upon exercise or conversion of options, warrants or other securities or rights within 60 days of the date on which such calculation is being made).

The Company has designated 870,000 shares of preferred stock as Series B Preferred Stock, $0.001 par value per share (the "Series B Preferred"). The holders of Series B Preferred, subject to the rights of holders of shares of the Company's Series A Preferred Stock which shares will be pari passu with the Series B Preferred in terms of liquidation preference and dividend rights, shall be entitled to receive, at their option, immediately prior an in preference to any distribution to the holders of the Company's common stock. $0.001 par value per share and other junior securities, a liquidation preference equal to the stated value per share. Each share of Series B Preferred shall have a stated value equal to $0.001.

Series B Preferred

Holders of Series B Preferred will vote together with the holders of the Company's Common Stock on an as converted basis on each matter submitted to a vote of holders of Common Stock. In addition, a majority of holders of Series B Preferred shares must provide an affirmative vote to (i) amend the Company's Articles of Incorporation or bylaws in a way that would be adverse to the holders of the Company's Series B Preferred, (ii) redeem or repurchase any capital stock of the Company, (iii) declare or pay dividends on any class of capital stock of the Company, or (iv) issue any securities in parity with (other than shares of Series B Preferred) or senior to the rights of the Series B Preferred with respect to distributions of assets upon liquidation, dissolution or winding up of the Company.

Each share of the Series B Preferred shall be convertible into fully paid and non-assessable shares of Common Stock at any time or from time to time at each Holder's option, and each share of Series B Preferred shall be convertible into 6,546.47 shares of the Company's common stock.

The foregoing descriptions of the Series A Preferred and the Series B Preferred contain only a brief summary of the rights associated with each, and such description is qualified, in its entirety, by the Certificate of Designations attached hereto as Exhibits 3.1 and 3.2, respectively.

Item 4.01 Changes in Registrant's Certifying Accountant.

(a) Dismissal of Independent Registered Public Accounting Firm

On October 9, 2020, our board of directors dismissed Marcum LLP ("Marcum"), as our independent registered public accountant.

Marcum's report on the financial statements for Innocap, Inc. for the fiscal years ended January 31, 2020 and 2019 contained no adverse opinion or disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principle, other than an explanatory paragraph relating to the Company's ability to continue as a going concern.

During the fiscal years ended January 31, 2020 and 2019, and in the subsequent interim period through October 9, 2020, the date of dismissal, there were no disagreements with Marcum on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Marcum would have caused them to make reference to the subject matter of the disagreements in its reports on the financial statements for such year. During the fiscal years ended January 31, 2020 and 2019, and in the subsequent interim period through October 9, 2020, the date of dismissal, there were no reportable events as defined in Item 304(a)(1)(v) of Regulation S-K except for the identified material weaknesses in its internal control over financial reporting as disclosed in the Company's Annual Report on Form 10-K for the year ended January 31, 2020.

We have provided a copy of the above disclosures to Marcum and requested Marcum to provide it with a letter addressed to the U.S. Securities and Exchange Commission stating whether or not Marcum agrees with the above disclosures. A copy of Marcum's letter, dated October 13, 2020, confirming its agreement with the disclosures in this Item 4.01 is attached as Exhibit 16.1 to this Form 8-K.

(b) New Independent Registered Public Accounting Firm

On October 9, 2020, our board of directors approved the engagement of Baker Tilly Virchow Krause, LLP, ("Baker Tilly"), as the Company's new independent registered public accounting firm.

During the fiscal year ended January 31, 2020 and 2019, and the subsequent interim period prior to the engagement of Baker Tilly, the Company has not consulted Baker Tilly regarding (i) the application of accounting principles to any specified transaction, either completed or proposed; (ii) the type of audit opinion that might be rendered on the Company's financial statements, and either a written report was provided to the registrant or oral advice was provided that the new accountant concluded was an important factor considered by the registrant in reaching a decision as to the accounting, auditing or financial reporting issue; or (iii) any matter that was either the subject of a disagreement (as defined in Item 304(o)(1)(iv)) or a reportable event (as defined in Item 304(a)(1)(v)).

Item 5.01 Changes in Control of Registrant.

As explained more fully in Item 2.01, in connection with the Merger, on October 8, 2020, we issued 130,000 shares of our Series A Preferred Stock and 870,000 shares of our Series B Preferred Stock to the Unique Logistics Shareholders, their affiliates or assigns, in exchange for 100% of the outstanding shares of Unique Logistics. As such, immediately following the Merger, the Unique Shareholders may convert the Series A Preferred Stock and Series B Preferred Stock into an aggregate of 6,546,470,000 shares of common stock, subject to beneficial ownership limitations and authorized capital stock of the Company. In addition, on October 9, 2020, Sunandan Ray our Chief Executive Officer, converted 30,000 shares of Series B Preferred stock into 196,934,100 shares of common stock of the Company, or roughly 59.51__% of the issued and outstanding stock entitled to vote. Reference is made to the disclosures set forth under Item 2.01 of this Current Report on Form 8-K, which disclosure is incorporated herein by reference.

Further, effective October 8, 2020, Mr. Sunandan Ray, Mr. David Briones and Patrick Lee, were appointed as members of our board of directors. Finally, effective October 8, 2020, our Directors appointed Mr. Sunandan Ray our Chief Executive Officer.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

(a) Resignation of Directors

Effective October 8, 2020, Mr. Paul Tidwell resigned from his position on the board. There were no disagreements between Mr. Tidwell and us or any officer or director of the Company.

(b) Resignation of Officers

Effective October 8, 2020, Mr. Tidwell resigned as our Chief Executive Officer, and Principal Accounting Officer.

(c) Appointment of Directors

Effective October 82020, the following persons were appointed as members of the Board of Directors:

Name	Age	Position
Sunandan Ray	62	Director
David Briones	44	Director
Patrick Lee	43	Director

Please see also Section 5.02(d) of this current report, whose information is herein incorporated by reference.

(d) Appointment of Officers

Effective June 16, the directors appointed the following persons as our executive officers, with the respective titles as set forth opposite his or her name below:

Name	Age	Position
Sunandan Ray	62	Chief Executive Officer

The business background descriptions of the newly appointed officers and directors are as follows:

Sunandan Ray, 62. Sunandan has close to 30 years of experience in the logistics industry. He established and currently manages over 15 of ULHL's offices in the US and India with over $70 million in revenue. Prior to his partnership with ULHL, Sunandan established and managed operating companies on behalf of MSAS Cargo International (now part of DHL/ Deutsche Post) in USA, India, Sri Lanka, Bangladesh, Mauritius and Turkey from 1989 to 1997. Sunandan successfully negotiated with MSAS Cargo, a management buyout of the companies under his management and after building the group over 10 years into a US $50 million enterprise, it was bought by French transportation company, Group Bollore. From 1992 through 1996, Sunandan built and sold to a strategic investor a group of software companies, Sunrise Group, which had over US$ 10 million in revenue at the time of sale.

Sunandan is a qualified Chartered Accountant (London, UK) who worked for 10 years with Price Waterhouse (now PWC) in London, UK, The Hague, Netherlands and New York, NY from 1979 to 1989. He also holds a Masters in Science (Technology) in Computer Science from the Birla Institute of Technology & Science, in Pilani, India.

David Briones, 44, Director

Mr. Briones is the founder and managing member of Brio Financial Group since its inception in October 2010, with over nineteen years of public accounting and executive level experience. He consults with various public companies in financial reporting, internal control development and evaluation, budgeting and forecasting. Since March 2019, Mr. Briones has also been the Chief Financial Officer of Hoth Therapeutics, Inc. (NASDAQ: HOTH), a biopharmaceutical company. From August 2013 to January 2020, Mr. Briones was the Chief Financial Officer for Petro River Oil Corp., an independent energy company focused on the exploration and development of conventional oil and gas assets. From October 2017 to May 2018 Mr. Briones was the Chief Financial Officer of Bitzumi, Inc., a Bitcoin exchange and marketplace.

Patrick Lee, 43, Director

Lee, Patrick Man Bun, age 43, combines over 15 years of experience in freight forwarding/warehousing senior management. Previously, he had been involved in two global companies in the logistics industry, holding positions including Management Trainee, Business Development Coordinator, and Logistics Operations Coordinator. From 2005 through 2012, Patrick was the Business Development Director for Unique Logistics Holdings Limited, a freight forwarding company based in Hong Kong. From 2012 to 2017, Patrick served Unique Logistics Holdings Limited in his capacity as Executive Vice President. Patrick has taken up the position of Group COO since 2017 and has become a Board Member. He has Bachelor of Commerce from University of British Columbia (Canada), and an MSc Supply Chain Management from Cranfield University (England).

Family Relationships

There are no family relationships with any of our officers and directors.

EMPLOYMENT AGREEMENTS OF THE EXECUTIVE OFFICERS

Unique Logistics

Employment Agreements

On May 29, 2020, Unique Logistics and Sunandan Ray entered into the Ray Employment Agreement pursuant to which Mr. Ray has been employed by Unique Logistics to serve as President and Chief Executive Officer. The Ray Employment Agreement has an initial term of three years, and automatically renews for successive consecutive one-year period terms, unless either party provides notice to the other party not more than 270 days and not less than 180 days before the end of the then existing term. Mr. Ray will receive a base salary of $250,000 per year with annual increases at the rate of 3% with such increases applied on January 1 of each year. The Ray Employment Agreement includes a performance-based bonus of up to 125% of the base salary upon Unique Logistics achieving certain performance targets as defined in the Ray Employment Agreement. The Ray Employment Agreement also provides for employment benefits and reimbursement provisions that are typical of such agreements.

As of the date of the Merger Agreement, the Company assumed the Ray Employment Agreement.

Item 5.03

As a result of the Merger, the Company is changing its fiscal year end from January 31 to May 31.

Item 9.01 Financial Statement and Exhibits.

(a) Financial Statements of Business Acquired. The Audited Financial Statements of Unique Logistics as well Pro-forma financial statements will be filed within 75 days of this Current Report on Form 8-K.

(d) Exhibits. Exhibit No. Description

Exhibit No.	Description
2.1*	Agreement and Plan of Merger and Reorganization, dated October 8, 2020.
3.1*	Certificate of Designation of Series A Preferred of Innocap, Inc., dated October 7, 2020.
3.2*	Certificate of Designation of Series B Preferred of Innocap, Inc., dated October 7, 2020.
4.1*	10% Convertible Promissory Note, dated October 8, 2020.
4.2*	Common Stock Purchase Warrant, dated October 8, 2020.
10.1*	Securities Purchase Agreement, dated October 8, 2020.
10.2*	Registration Rights Agreement, dated October 8, 2020.
10.3*	Employment Agreement with Sunandan Ray dated May 29, 2020.
10.4*	General Release Agreement, dated October 8, 2020.
10.5*	Split-Off Agreement, dated October 8, 2020.

* Filed Herewith.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INNOCAP, INC.

Date: October 13, 2020

By: */s/Sunandan Ray*
Name: Sunandan Ray
Title: Chief Executive Officer

AGREEMENT AND PLAN OF MERGER AND REORGANIZATION

Among

INNOCAP, INC. a Nevada corporation,
STAR EXPLORATION CORP, a Texas corporation,
UNIQUE ACQUISITION CORP., a Delaware corporation,

And

UNIQUE LOGISTICS HOLDINGS, INC., a Delaware corporation
October 8, 2020

TABLE OF CONTENTS

AGREEMENT AND PLAN OF MERGER AND REORGANIZATION

AGREEMENT AND PLAN OF MERGER AND REORGANIZATION (this "Agreement"), dated as of October 8, 2020, by and among **Innocap, Inc.**, a Nevada corporation (the "Parent"), **Star Exploration Corporation** a Texas corporation (the "Split-Off Subsidiary"), **Unique Acquisition Corp.**, a Delaware corporation (the "Acquisition Subsidiary") **Unique Logistics Holdings, Inc.,** a Delaware corporation (the "Company") and Paul Tidwell, an individual (the "Split-Off Purchaser"). The Parent, the Acquisition Subsidiary, the Company and Spit-**Off** Purchaser are each a "Party" and referred to collectively herein as the "Parties."

WHEREAS, this Agreement contemplates a merger of the Acquisition Subsidiary with and into the Company, with the Company remaining as the **surviving** entity after the merger (the "Merger"), whereby the stockholders of the Company will receive shares of Parent's Series A Preferred Stock or Series B Preferred Stock (as defined below) in exchange for their capital stock of the Company; and

WHEREAS, simultaneously with the closing of the Merger, the Parent will complete a private placement offering (the "Private Placement Offering") of up to $2,222,000 in units consisting of 10% convertible promissory notes with one year maturity dates (the "Notes") at a **purchase** price of $2,000,000 and common stock purchase warrants upon the terms and subject to the conditions of a separate securities purchase agreement substantially in the form of Exhibit A attached hereto (the "Subscription Agreement"); and

WHEREAS, simultaneously with the closing of the Merger, the Parent shall assign of all of the Parent's assets and liabilities (other than those under this Agreement and the other related agreements and transactions contemplated hereby) to the Split-Off Subsidiary and the Split-Off Purchaser shall exchange the Share Contribution (as defined below) for all of the outstanding capital stock of the Split-Off Subsidiary (the "**Split**-Off") upon the terms and conditions of a split-off agreement, substantially in the form of Exhibit B attached hereto (the "Split-Off Agreement"), by and among the Parent, the Split-Off Subsidiary and the Split-Off Purchaser; and

WHEREAS, simultaneously with the closing of the Merger, the Parent, Split-Off Subsidiary and Split-Off Purchaser shall enter into a general release agreement in substantially the form of Exhibit C attached hereto (the "General Release Agreement"); and

WHEREAS, the Parent, the Acquisition Subsidiary and the Company intend for the Merger to qualify as a "reorganization" under Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and that this Agreement constitute a "plan of reorganization" within the meaning of Sections 1.368-2(g) and 1.368-3(a) of the United States Treasury Regulations.

NOW, THEREFORE, in consideration of the representations, warranties and covenants herein contained, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Parties hereto, intending legally to be bound, agree as follows:

ARTICLE I
THE MERGER

1.1 The Merger. Upon and subject to the terms and conditions set forth in this Agreement, the Acquisition Subsidiary shall merge with and into the Company at the Effective Time (as defined below). From and after the Effective Time, the separate corporate existence of the Acquisition Subsidiary shall cease and the Company shall continue as the surviving corporation in the Merger (the "Surviving Corporation"). The "Effective Time" shall be the time at which a certificate of merger in proper form and duly executed, reflecting the Merger (the "Certificate of Merger") pursuant to Section 251(c) of General Corporation Law of the State of Delaware (the "Delaware Act") is filed with the Secretary of State of the State of Delaware. The Merger shall have the effects set forth herein and in the applicable provisions of the Delaware Act.

1.2 The Closing The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Lucosky Brookman LLP, in Woodbridge, New Jersey, commencing at 10:00 a.m. local time (or such other place and time as is mutually agreed to by the Parties) on October 8, 2020, or, if all of the conditions to the obligations of the Parties to consummate the transactions contemplated hereby have not been satisfied or waived by such date, on such mutually agreeable later date as soon as practicable (and in any event not later than three Business Days) after the satisfaction or waiver of all conditions (excluding the delivery of any documents to be delivered at the Closing by any of the Parties) set forth in Article V hereof (the "Closing Date"). As used in this Agreement, the term "Business Day" means any day other than a Saturday, a Sunday or a day on which banks in the state of New York are required or authorized by applicable Law to close.

1.3 Actions at the Closing. At the Closing:

(a) the Company shall deliver to the Parent and the Acquisition Subsidiary the various certificates, instruments and documents to be delivered by the Company pursuant to Sections 5.1 and 5.2;

(b) the Parent and the Acquisition Subsidiary shall deliver to the Company the various certificates, instruments and documents to be delivered by the Parent and/or Acquisition Subsidiary pursuant to Sections 5.1 and 5.3;

(c) the Surviving Corporation shall file the Certificate of Merger with the Secretary of State of the State of Delaware;

(d) the Parent shall complete the Private Placement Offering; and

(e) the Split-Off Purchaser shall surrender for cancellation to the Parent (i) 45,606,489 shares of common stock, $0.001 par value per share, of Parent ("Parent Common Stock") and 1,000,000 shares of preferred stock, $0.001 per share, of Parent ("Parent Preferred Stock") (collectively, the "Share Contribution") in connection with the Split-Off.

1.4 Additional Actions. If at any time after the Effective Time the Surviving Corporation or Parent shall consider or be advised that any deeds, bills of sale, assignments or assurances or any other acts or things are necessary, desirable or proper (a) to vest, perfect or confirm, of record or otherwise, in the Surviving Corporation or Parent, its right, title or interest in, to or under any of the rights, privileges, powers, franchises, properties or assets of either the Company or the Acquisition Subsidiary or (b) otherwise to carry out the purposes of this Agreement, the Surviving Corporation, Parent and its officers and directors or their designees shall be authorized (to the fullest extent allowed under applicable Law) to execute and deliver, in the name and on behalf of either the Company, Parent or the Acquisition Subsidiary, all such deeds, bills of sale, assignments and assurances and do, in the name and on behalf of the Company, Parent or the Acquisition Subsidiary, all such other acts and things necessary, desirable or proper to vest, perfect or confirm its right, title or interest in, to or under any of the rights, privileges, powers, franchises, properties or assets of the Company, Parent or the Acquisition Subsidiary, as applicable, and otherwise to carry out the purposes of this Agreement.

1.5 Conversion of Company and Acquisition Subsidiary Securities. At the Effective Time, by virtue of the Merger and without any action on the part of any Party or the holder of any of the following securities:

(a) Each share of common stock, par value $0.001 per share, of the Company ("Company Stock" or "Company Common Stock") issued and outstanding immediately prior to the Effective Time (other than Dissenting Shares (as defined below), all of which shall be owned by "accredited investors" as such term is defined in Rule 501(a) under the Securities Act of 1933, as amended ("Securities Act"), or owned by non-"US Persons", as such term is defined in Regulation S under the Securities Act, shall be converted into and represent the right to receive (subject to the provisions of Section 1.6) such number of shares of Parent's Series A Preferred Stock, $0.001 par value per share ("Series A Preferred Stock") or Series B Preferred Stock, $0.001 par value per share ("Series B Preferred Stock"), as applicable, as is equal to the applicable "Conversion Ratio" specified with respect to such Series A Preferred Stock and Series B Preferred Stock on Schedule 1.5(a) hereto (the "Applicable Conversion Ratio"). The Applicable Conversion Ratio for shares of Series A Preferred Stock and Series B Preferred Stock is the same. Shares of Series A Preferred Stock and Series B Preferred Stock shall be identical in all material respects other than with respect to anti-dilution protection upon Parent's issuance of Parent Common Stock or other Parent securities which are convertible into Parent Common Stock. An aggregate of 1,000,000 shares of Company Preferred Stock in the form of shares of Series A Preferred Stock and Series B Preferred Stock (including Dissenting Shares), subject to adjustment as necessary due to rounding as set forth in Section 1.7, shall be issuable to the stockholders of record of the Company outstanding immediately prior to the Effective Time (the "Company Stockholders") in connection with the Merger. The shares of Series A Preferred Stock and Series B Preferred Stock into which the shares of Company Stock are converted pursuant to this Section shall be referred to herein as the "Merger Shares". Immediately following the Effective Time and the implementation of the Split-Off and the cancellation of the shares comprising the Share Contribution, and without giving effect to the Private Placement Offering, the Merger Shares, on an as converted basis, shall represent 98% of the issued and outstanding shares of Parent Common Stock on a fully diluted basis.

(b) The Parent shall deliver certificates for the Merger Shares to each Company Stockholder entitled thereto who shall have presented a certificate, or book entry statement as applicable, that immediately prior to the Effective Time represented Company Stock to be converted into Merger Shares pursuant to this Section 1.5 (the "Company Stock Certificates") to the Parent's transfer agent. If any Company Stock Certificates shall have been lost, stolen or destroyed, the Parent's transfer agent may, in its sole discretion and as a condition to the issuance of any certificates representing Merger Shares, require the owner of such lost, stolen or destroyed Company Stock Certificate to provide an appropriate affidavit with respect to such Company Stock Certificate.

(c) Each issued and outstanding share of common stock, par value $0.001 per share, of the Acquisition Subsidiary shall be converted into one validly issued, fully paid and nonassessable share of common stock of the Surviving Corporation.

1.6 Dissenting Shares.

(a) For purposes of this Agreement, "Dissenting Shares" means shares of Company Stock held as of the Effective Time by a Company Stockholder who has not voted such Company Stock in favor of the adoption of this Agreement and the Merger and with respect to which appraisal shall have been duly demanded and perfected in accordance with Section 262 of the Delaware Act and not effectively withdrawn or forfeited prior to the Effective Time. Dissenting Shares shall not be converted into or represent the right to receive Merger Shares unless such Company Stockholder's right to appraisal shall have ceased in accordance with the Delaware Act. If such Company Stockholder has so forfeited or withdrawn his, her or its right to appraisal of Dissenting Shares, then (i) as of the occurrence of such event, such holder's Dissenting Shares shall cease to be Dissenting Shares and shall be converted into and represent the right to receive the Merger Shares issuable in respect of such Company Stock pursuant to Section 1.5(a), and (ii) promptly following the occurrence of such event and, if requested by Parent, the proper surrender of such person's Company Stock Certificate, the Parent shall deliver to such Company Stockholder a certificate representing the Merger Shares to which such holder is entitled pursuant to Section 1.5(a).

(b) The Company shall give the Parent prompt notice of any written demands for appraisal of any Company Stock, withdrawals of such demands, and any other instruments that relate to such demands received by the Company. The Company shall not, except with the prior written consent of the Parent (such consent not to be unreasonably withheld), make any payment with respect to any demands for appraisal of Company Stock or offer to settle or settle any such demands unless required by the court of the State of Delaware having jurisdiction thereof.

1.7 Fractional Shares. No certificates or scrip representing fractional Merger Shares shall be issued to Company Stockholders on the surrender for exchange of shares of Company Stock, and such Company Stockholders shall not be entitled to any voting rights, rights to receive any dividends or distributions or other rights as a stockholder of the Parent with respect to any fractional Merger Shares that would have otherwise been issued to such Company Stockholders. In lieu of any fractional Merger Share to which the holder would otherwise be entitled, the Company shall pay the holder cash equal to such fraction multiplied by the value of a full Merger Share as of the Effective Time on an as converted basis.

1.8 Options and Warrants. There are no outstanding stock options or warrants of the Company and there shall be no outstanding stock options or warrants of the Company immediately prior to the Effective Time.

1.9 Directors and Officers. At the Effective Time, by virtue of the Merger and without any action on the part of Parent, Acquisition Subsidiary, the Company or the holders of any shares of capital stock of any of the foregoing, the directors and officers of the Company shall be the directors and officers of the Surviving Corporation until the earlier of their resignation or removal or until their respective successors are duly appointed and qualified, as the case may be, and the Surviving Corporation and the Parent shall take any necessary actions (whether prior to, at or after the Effective Time) as shall be necessary or appropriate to effectuate or carry out the purpose of this Section 1.9.

1.10 Certificate of Incorporation and Bylaws At the Effective Time, by virtue of the Merger and without any action on the part of Parent, Acquisition Subsidiary, the Company or the holders of any shares of capital stock of any of the foregoing; provided that the Surviving Corporation or Parent may make any necessary filings in the State of Delaware as shall be necessary or appropriate to effectuate or carry out fully the purpose of this Section 1.10:

(a) the certificate of incorporation of the Company in effect immediately prior to the Effective Time shall be the certificate of incorporation of the Surviving Corporation until duly amended or repealed;

(b) the bylaws of the Company in effect immediately prior to the Effective Time shall be the bylaws of the Surviving Corporation until duly amended or repealed;

(c) the articles of incorporation of the Parent, as amended to date, in effect immediately prior to the Effective Time shall be the articles of incorporation of the Parent until duly amended or repealed; and

(d) the bylaws of the Parent in effect immediately prior to the Effective Time shall be the bylaws of the Parent until duly amended or repealed.

1.11 No Further Rights. From and after the Effective Time, except as otherwise provided herein, no shares of Company Stock shall be deemed to be outstanding, and holders of Company Stock, certificated or uncertificated, shall cease to have any rights with respect thereto, except as provided herein or by applicable Law, other than the right to receive Merger Shares in connection with the Merger.

1.12 Closing of Transfer Books. At the Effective Time, the stock transfer books of the Company shall be closed and no transfer of Company Stock shall thereafter be made. If, after the Effective Time, Company Stock Certificates are presented to the Parent or the Surviving Corporation, they shall be cancelled and exchanged for Merger Shares in accordance with Section 1.5, subject to the provisions hereof and applicable Law in the case of Dissenting Shares.

1.13 Exemption from Registration; Rule 144.

(a) Each of the Merger Shares and the common stock of the Surviving Corporation to be issued pursuant to Section 1.5 hereof shall be issued in a transaction exempt from registration under the Securities Act, by reason of Section 4(a)(2) of the Securities Act, Rule 506 of Regulation D promulgated by the Securities and Exchange Commission (the "SEC") thereunder, and/or Regulation S promulgated by the SEC and that all recipients of Merger Shares and such shares of common stock of the Surviving Corporation shall either be "accredited investors" or not "U.S. Persons" as such terms are defined in Regulation D and Regulation S, respectively. The Merger Shares and such shares of common stock of the to be issued pursuant to Section 1.5 hereof and the shares of Parent Common Stock and the shares of common stock of the Surviving Corporation respectively issuable upon conversion thereof will be "restricted securities" within the meaning of Rule 144 under the Securities Act and may not be offered, sold, pledged, assigned or otherwise transferred unless (i) a registration statement with respect thereto is effective under the Securities Act and any applicable state securities laws, or (ii) an exemption from such registration exists and either the Parent or Surviving Corporation, as applicable, receives an opinion of counsel to the holder of such securities, which counsel and opinion are satisfactory to the Parent or Surviving Corporation, as applicable, that such securities may be offered, sold, pledged, assigned or transferred in the manner contemplated without an effective registration statement under the Securities Act or applicable state securities laws, or the holder complies with the requirements of Regulation S, if applicable; and the certificates representing such Merger Shares and such shares of common stock will bear an appropriate legend and restriction on the books of the Parent's or Surviving Corporation's transfer agent to that effect.

(b) RESERVED.

1.14 Certain Tax Matters. Each of the Parties shall use its Reasonable Best Efforts to cause the Merger to qualify as a reorganization within the meaning of Section 368(a) of the Code. None of the Parties shall (and each of the Parties shall cause their respective Subsidiaries not to) take any action, or fail to take any action, that could reasonably be expected to cause the Merger to fail to qualify as a reorganization within the meaning of Section 368(a) of the Code. The Parties intend to report and, except to the extent otherwise required by a "final determination" within the meaning of Section 1313(a) of the Code, shall report, for all tax purposes, the Merger as a reorganization within the meaning of Section 368(a) of the Code.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Parent that the statements contained in this Article II are and shall be true and correct, except as set forth in the disclosure schedule provided by the Company to the Parent on the date hereof and as of the Effective Time (the "Company Disclosure Schedule"). The Company Disclosure Schedule shall be arranged in paragraphs corresponding to the numbered and lettered paragraphs contained in this Article II; and to the extent that it is reasonably apparent from the context thereof that such disclosure also applies to any other numbered paragraph contained in this Article II, the disclosures in any numbered paragraph of the Company Disclosure Schedule shall qualify such other corresponding numbered paragraph in this Article II. For purposes of this Article II, the phrase "to the knowledge of the Company" or any phrase of similar import shall be deemed to refer to the actual knowledge of Sunandan Ray, the Chief Executive Officer of the Company, as well as any other knowledge which such person would have possessed had such person made reasonable inquiry of executive officers, directors and key employees of the Company who report directly to such person and the accountants and attorneys of the Company.

2.1 Organization, Qualification and Corporate Power. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Each subsidiary of the Company (each a "Company Subsidiary") is an entity duly organized, validly existing and in corporate and tax good standing under the laws of the jurisdiction of its organization. The Company and each Company Subsidiary is duly qualified to conduct business and is in good standing under the laws of each jurisdiction in which the nature of its businesses or the ownership or leasing of its properties requires such qualification, except where the failure to be so qualified or in good standing, individually or in the aggregate, has not had and would not reasonably be expected to have a Company Material Adverse Effect (as defined below). The Company and each Company Subsidiary has all requisite corporate power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it. The Company has furnished or made available to the Parent complete and accurate copies of its and each Company Subsidiary certificate of incorporation, bylaws and other organization documents, each as amended to date. Neither the Company nor any Company Subsidiary is in default under or in violation of any provision of its certificate of incorporation, its bylaws, or any other organizational document, each as amended to date, except where such default or violation would not be reasonably expected to have a Company Material Adverse Effect. For purposes of this Agreement, "Company Material Adverse Effect" means a material adverse effect on the assets, business, financial condition, or results of operations of the Company and the Company Subsidiaries (as defined below) taken as a whole; provided, that, in no event shall any effects (whether alone or in combination) resulting from or arising in connection with any of the following be deemed to constitute, nor shall any of the following be taken into account in determining whether there has occurred, a Company Material Adverse Effect: (a) conditions generally affecting the industries in which the Company or the Company Subsidiaries participate or the U.S. or global economy or capital markets as a whole; (b) any failure by the Company to meet internal projections or forecasts or revenue or earnings predictions; (c) the execution, delivery, announcement or performance of the obligations under this Agreement or the announcement, pendency or anticipated consummation of the Merger; (d) any pandemic (including COVID-19), natural disaster or any acts of terrorism, sabotage, military action or war or any escalation or worsening thereof; (e) any changes (after the date of this Agreement) in generally accepted accounting principles ("GAAP"), other applicable accounting rules or applicable Law, or changes or developments in political, regulatory or legislative conditions, or (f) the taking of any action required by this Agreement. At all times from January 23, 2004 (inception) through the date of this Agreement, the business and operations of the Company have been conducted exclusively through the Company. The Company does not control directly or indirectly or have any direct or indirect participation or similar interest in any corporation, partnership, limited liability company, joint venture, trust or other business association which is not a Company Subsidiary.

2.2 Capitalization. The authorized capital stock of the Company consists of 100,000,000 shares of Company Common Stock and 10,000,000 shares of the Company's blank check preferred stock, $0.001 par value per share (the "Company Preferred Stock"). Without giving effect to the transactions contemplated by this Agreement or any of the other Transaction Documentation, 10,000,000 shares of Company Common Stock are or will be issued and outstanding and no shares of Company Preferred Stock are or will be issued and outstanding. No shares of Company Common Stock are held in the treasury of the Company. There are no outstanding options or warrants to purchase shares of Company Common Stock or Company Preferred Stock and there is and will be no outstanding debt convertible into Company Preferred Stock. Section 2.2 of the Company Disclosure Schedule sets forth a complete and accurate list of (i) all stockholders of the Company, indicating the number and class of Company Common Stock held by each stockholder, (ii) all stock option plans and other stock or equity-related plans of the Company ("Company Equity Plans") and the number of shares of Company Common Stock remaining available for future awards thereunder, and (iii) all outstanding debt convertible into Company Common Stock, indicating (A) the date of issue, (B) the holder thereof, (C) the unpaid principal amount thereof, (D) the interest rate thereon, (E) the accrued and unpaid interest thereon, (F) the number and class of shares of Company Common Stock into which such debt is convertible, and (G) the conversion price thereof. All of the issued and outstanding shares of Company Common Stock are, and all shares of Company Common Stock that may be issued upon conversion of convertible debt will be (upon issuance in accordance with their terms), duly authorized, validly issued, fully paid, nonassessable and, effective as of the Effective Time, free of all preemptive rights, and have been or will be issued in accordance with applicable laws, including but not limited to, the Securities Act. Other than the convertible debt listed in Section 2.2 of the Company Disclosure Schedule, there are no outstanding or authorized options, warrants, securities, rights, agreements or commitments to which the Company is a party or which are binding upon the Company providing for the issuance or redemption of any Company Common Stock or pursuant to which any outstanding Company Common Stock is subject to vesting. There are no outstanding or authorized stock appreciation, phantom stock or similar rights with respect to the Company. Other than as listed in Section 2.2 of the Company Disclosure Schedule, there are no agreements to which the Company is a party or by which it is bound with respect to the voting (including without limitation voting trusts or proxies), registration under the Securities Act, or sale or transfer (including without limitation agreements relating to pre-emptive rights, rights of first refusal, co-sale rights or "drag-along" rights) of any securities of the Company. To the knowledge of the Company, there are no agreements among other parties, to which the Company is not a party and by which it is not bound, with respect to the voting (including without limitation voting trusts or proxies) or sale or transfer (including without limitation agreements relating to rights of first refusal, co-sale rights or "drag-along" rights) of any securities of the Company. All of the issued and outstanding shares of Company Common Stock were issued in compliance in all material respects with applicable securities laws. All of the issued and outstanding shares of capital stock of each Company Subsidiary are duly authorized, validly issued, fully paid, nonassessable and free of preemptive rights. All issued and outstanding shares of capital stock of each Company Subsidiary are owned by the Company free and clear of any restrictions on transfer (other than restrictions under the Securities Act and state securities laws), claims, Security Interests (as defined below), options, warrants, rights, contracts, calls, commitments, equities and demands. Except as set forth in 2.2 of the Company Disclosure Schedule, there are no outstanding or authorized options, warrants, rights, agreements or commitments to which the Company or a Company Subsidiary is a party or which are binding on any of them providing for the issuance, disposition or acquisition of any capital stock of the Company or a Company Subsidiary (except as contemplated by this Agreement and the other Transaction Documents). There are no outstanding stock appreciation, phantom stock or similar rights with respect to a Company Subsidiary. There are no voting trusts, proxies or other agreements or understandings with respect to the voting of any capital stock of a Company Subsidiary. "Security Interest" means any mortgage, pledge, lien, encumbrance, charge, or other security interest, *other than* (a) mechanic's, materialmen's, and similar liens, (b) liens for taxes not yet due and payable or for taxes that the taxpayer is contesting in good faith through appropriate proceedings, (c) purchase money liens and liens securing rental payments under capital lease arrangements, and (d) other liens arising in the ordinary course of business and not incurred in connection with the borrowing of money.

2.3 Authorization of Transaction. The Company has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery by the Company of this Agreement and the other Transaction Documentation, and, subject to the adoption of this Agreement and (a) the approval of the Merger by the vote of stockholders of the Company required by Delaware law and (b) the approvals and waivers set forth in Section 2.3 of the Company Disclosure Schedule (collectively, the "Company Consents"), the consummation by the Company of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of the Company. Without limiting the generality of the foregoing, the board of directors of the Company (i) determined that the Merger is fair and in the best interests of the Company and the Company Stockholders, (ii) adopted this Agreement in accordance with the provisions of the Delaware Act, and (iii) directed that this Agreement and the Merger be submitted to the Company Stockholders for their adoption and approval and resolved to recommend that the Company Stockholders vote in favor of the adoption of this Agreement and the approval of the Merger. This Agreement has been duly and validly executed and delivered by the Company and constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited under applicable bankruptcy, insolvency and similar laws, rules or regulations affecting creditors' rights and remedies generally and to general principles of equity, whether applied in a court of law or a court of equity.

2.4 Compliance with Laws. Each of the Company and its Subsidiaries:

(a) and the conduct and operations of their respective businesses, are in compliance with each Law applicable to the Company, any Company Subsidiary or any of their properties or assets, except for any violations or defaults that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect;

(b) has complied with all federal and state securities laws and regulations, except for any violations or defaults that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, and all prior issuances of its securities have been either registered under the Securities Act or exempt from registration;

(c) has not been the subject of any voluntary or involuntary bankruptcy proceeding, nor has it been a party to any material litigation or, within the past two years, the subject of any threat of material litigation; and

(d) is not and has not, and the past and present officers, directors and any other person or entity directly or indirectly controlling, controlled by or under direct or indirect common control with such person or entity (each an "Affiliate"). Affiliates of the Company are not and have not, been the subject of, nor does any officer or director of the Company have any reason to believe that the Company or any of its officers, directors or Affiliates are the subject of, any civil, criminal or administrative investigation or proceeding brought by any federal or state agency having regulatory authority over such entity or person or alleging a violation of securities laws.

2.5 Noncontravention. Subject to the filing of the Certificate of Merger as required by the Delaware Act, neither the execution and delivery by the Company of this Agreement or the Transaction Documentation, nor the consummation by the Company of the transactions contemplated hereby or thereby, will (a) conflict with or violate any provision of the organizational documents or bylaws of the Company or any Company Subsidiary, as the case may be, (b) require on the part of the Company or any Company Subsidiary, as the case may be, any filing with, or permit, authorization, consent or approval of, any federal, state or local court, administrative or regulatory agency or commission or other governmental authority or instrumentality, domestic or foreign ("Governmental Entity"), other than required notification to the Financial Industry Regulatory Authority, Inc., (c) conflict with, result in a breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of obligations under, create in any party any right to terminate, modify or cancel, or require any notice, consent or waiver under, any contract or instrument to which the Company or any Company Subsidiary, as the case may be, is a party or by which either is bound or to which any of their assets are subject, except for (i) any conflict, breach, default, acceleration, termination, modification or cancellation which would not reasonably be expected to have a Company Material Adverse Effect and would not reasonably be expected to adversely affect the consummation of the transactions contemplated hereby or by any of the other Transaction Documents or (ii) any notice, consent or waiver the absence of which would not reasonably be expected to have a Company Material Adverse Effect and would not reasonably be expected to adversely affect the consummation of the transactions contemplated hereby or by any of the other Transaction Documents, (d) result in the imposition of any new Security Interest upon any assets of the Company or any Company Subsidiary or (e) violate any laws applicable to the Company or any Company Subsidiary, except for any violation which would not reasonably be expected to have a Company Material Adverse Effect..

2.6 Litigation. Except as set forth in Section 2.6 of the Company Disclosure Schedule, as of the date of this Agreement, there is no action, suit, proceeding, claim, arbitration or investigation before any Governmental Entity or before any arbitrator (a "Legal Proceeding") which is pending or, to the Company's knowledge, threatened against the Company or any Company Subsidiary which (a) seeks either damages in excess of $50,000 individually or $100,000 in the aggregate, (b) if determined adversely to the Company or such Company Subsidiary, would have or be reasonably anticipated to have, individually or in the aggregate, a Company Material Adverse Effect or (c) in any manner challenges or seeks to prevent, enjoin, alter or delay the transactions contemplated by this Agreement.

2.7 Employees and Employee Benefits.

(a) Each employee of the Company is a party to a non-disclosure and assignment of inventions agreement with the Company or a Company Subsidiary. To the knowledge of the Company, no key employee (within the meaning of Section 416 of the Code) or group of employees acting in concert has given written notice of any plans to terminate employment with the Company or any Company Subsidiary.

(b) Neither the Company nor any Company Subsidiary is a party to or bound by any collective bargaining agreement, nor has any of them experienced any strikes, grievances, claims of unfair labor practices or other collective bargaining disputes. To the knowledge of the Company, (i) no organizational effort has been made or threatened, either currently or within the past two years, by or on behalf of any labor union with respect to employees of the Company or any Company Subsidiary, and (ii) to the Company's knowledge, there are no circumstances or facts which could individually or collectively give rise to a suit against the Company or any Company Subsidiary by any current or former employee or applicant for employment based on discrimination prohibited by fair employment practices laws.

(c) Employee Benefits. Neither the Company nor any of its Subsidiaries or ERISA Affiliates maintains, sponsors or contributes to or in the past has maintained, sponsored or contributed to any Employee Benefit Plan or multiemployer plan (as defined in Section 4001(a)(3) of ERISA).

2.8 Assets. Each of the Company and its Subsidiaries owns or leases all tangible assets necessary for the conduct of its respective businesses as presently conducted and as presently proposed to be conducted. Each such tangible asset is free from material defects, has been maintained in accordance with normal industry practice, is in good operating condition and repair (subject to normal wear and tear) and is suitable for the purposes for which it presently is used. No asset of the Company or any Company Subsidiary (tangible or intangible) is subject to any Security Interest.

2.9 Owned Real Property. Except as disclosed in Section 2.9 of the Company Disclosure Schedule, neither the Company nor any of its Subsidiaries owns any real property.

2.10 Real Property Leases. Section 2.10 of the Company Disclosure Schedule lists all real property leased or subleased to or by the Company or any of its Subsidiaries and lists the term of such lease, any extension and expansion options, and the rent payable thereunder.

2.11 Powers of Attorney. There are no outstanding powers of attorney executed on behalf of the Company or any of its Subsidiaries.

2.12 Warranties. No product or service sold or delivered by the Company or any of its Subsidiaries is subject to any guaranty, warranty, right of credit or other indemnity other than the applicable standard terms and conditions of sale of the Company or the appropriate Subsidiary.

2.13 Environmental Matters.

(a) Each of the Company and its Subsidiaries has complied with all applicable Environmental Laws, except for violations of Environmental Laws that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect. There is no pending or, to the knowledge of the Company, threatened civil or criminal litigation, written notice of violation, formal administrative proceeding, or investigation, inquiry or information request by any Governmental Entity, relating to any Environmental Law involving the Company or any of its Subsidiaries, except for litigation, notices of violations, formal administrative proceedings or investigations, inquiries or information requests that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect. Environmental Laws means any law, statute, ordinance, regulation, order or rule relating to: (a) the environment, including pollution, contamination, cleanup, preservation, protection and reclamation of the environment, (b) the protection of human health with respect to, or the exposure of employees or third parties to, any hazardous materials, (c) any release or threatened release of any hazardous materials, including investigation, assessment, testing, monitoring, containment, removal, remediation and cleanup of any such release or threatened release, (d) the management of any hazardous materials, including the use, labeling, processing, disposal, storage, treatment, transport, or recycling of any hazardous materials, or (e) the presence of hazardous materials in any building, physical structure, product or fixture.

(b) Set forth in Section 2.13(b) of the Company Disclosure Schedule is a list of all documents (whether in hard copy or electronic form) that contain any environmental reports, investigations and audits relating to premises currently or previously owned or operated by the Company or any of its Subsidiaries (whether conducted by or on behalf of the Company or its Subsidiaries or a third party, and whether done at the initiative of the Company or any of its Subsidiaries or directed by a Governmental Entity or other third party) which were issued or conducted during the past five years and which the Company has possession of or access to. A complete and accurate copy of each such document has been provided to the Parent.

(c) To the knowledge of the Company, there is no material environmental liability of any solid or hazardous waste transporter or treatment, storage or disposal facility that has been used by the Company or any of its Subsidiaries.

2.14 Brokers' Fees. Except as set forth on Section 2.14 of the Company Disclosure Schedule, neither the Company nor any of its Subsidiaries has any liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement or any of the other Transaction Documents.

2.15 Disclosure. No representation or warranty by the Company or a Company Subsidiary contained in this Agreement, and no statement contained in the any document, certificate or other instrument delivered or to be delivered by or on behalf of the Company or a Company Subsidiary pursuant to this Agreement, including any of the other Transaction Documents, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary, in light of the circumstances under which it was or will be made, in order to make the statements herein or therein not misleading. The Company has disclosed to the Parent all material information relating to the business of the Company and its Subsidiaries in order to effect the transactions contemplated by this Agreement and the other Transaction Documents.

2.16 Interested Party Transactions. Except for the Split-Off Agreement and the General Release Agreement, to the knowledge of the Company, no officer, director or stockholder of the Company or any "affiliate" (as such term is defined in Rule 12b-2 under the Exchange Act) or "associate" (as such term is defined in Rule 405 under the Securities Act) of any such person or entity currently has or has had since [the date of the Company's organization], either directly or indirectly, (a) an interest in any person that (i) furnishes or sells services or products that are furnished or sold or are proposed to be furnished or sold by the Company or any of its Subsidiaries or (ii) purchases from or sells or furnishes to the Company or any of its Subsidiaries any goods or services, or (b) a beneficial interest in any contract or agreement to which the Company or any of its Subsidiaries is a party or by which it may be bound or affected. Neither the Company nor any of its Subsidiaries has extended or maintained credit, arranged for the extension of credit, or renewed an extension of credit, in the form of a personal loan to or for any director or executive officer (or equivalent thereof) of the Company or any of its Subsidiaries.

2.17 Duty to Make Inquiry. To the extent that any of the representations or warranties in this Article II are qualified by "knowledge" or "belief," each of the Company and its Subsidiaries represents and warrants that it has made due and reasonable inquiry and investigation concerning the matters to which such representations and warranties relate, including, but not limited to, diligent inquiry by its directors, officers and key personnel and the directors, officers and key personnel of any such Subsidiary.

2.18 Minute Books. The minute books and other similar records of the Company and each of its Subsidiaries contain, in all material respects, complete and accurate records of all actions taken at any meetings of directors (or committees thereof) and stockholders or actions by written consent in lieu of the holding of any such meetings since the time of organization of each such corporation through the date of this Agreement. The Company has provided true and complete copies of all such minute books and other similar records to the Parent's representatives.

2.19 Board Action. The Company Board of Directors (a) has unanimously determined that the Merger and the other transactions contemplated by this Agreement and the other Transaction Documents are advisable and in the best interests of the Company's stockholders and are on terms that are fair to such Company stockholders, (b) has caused the Company, in its capacity as the sole stockholder of each Company Subsidiary, to approve the Merger, this Agreement and all other applicable Transaction Documents by unanimous written consent, (c) adopted this Agreement and all other applicable Transaction Documents in accordance with the provisions of the Delaware Act, and (d) directed that this Agreement, all other Transaction Documents and the Merger and all other transactions related thereto be submitted to the Company's stockholders for their adoption and approval and resolved to recommend that the Company's stockholders vote in favor of the adoption of this Agreement and the other Transaction Documents and the approval of the Merger and the transactions contemplated hereby and thereby.

2.20 Intellectual Property. The Company and the Company Subsidiaries are the sole and exclusive owner of all right, title and interest in and to, or has a valid and enforceable license or right to use, all Intellectual Property that is necessary for the operation of Company's business as currently conducted (collectively, the "Company Intellectual Property"), and, with respect to owned and licensed Intellectual Property, free and clear of any Security Interests or other encumbrances. "Intellectual Property" means any or all of the following in any jurisdiction throughout the world (a) trademarks, service marks, trade dress, trade names, logos, corporate names, Internet domain names, and all other designations of origin (together with the goodwill of the business symbolized by the foregoing), including all registrations and registration applications therefor, (b) inventions (whether or not patentable or reduced to practice), patents, patent applications and patent disclosures (together with all reissuances, continuations, continuations-in-part, divisionals, revisions, extensions and reexaminations thereof), (c) copyrights mask works, and other works of authorship, and registrations and registration applications therefor, (d) rights or interests protected by non-statutory or common law evidenced by or embodied in any idea, design, concept, process, technology, invention, discovery, enhancement, improvement or information and data (including formulae, procedures, protocols, techniques and results of experimentation and testing), regardless of patentability, including trade secrets and know how, (e) computer software, including operating systems, applications, routines, interfaces, and algorithms, whether in source code or object code, (f) moral and economic rights of authors and inventors, however denominated, (g) all other proprietary and intellectual property rights however denominated, (h) all derivative works and improvements of any of the foregoing and (i) all applications, registrations, extensions and renewals related to any of the foregoing, regardless of whether any of such rights arise under the laws of the United States or any other state, country or jurisdiction.

2.21 International Trade; Anti-Corruption.

(a) The Company and each of the Company Subsidiaries, their respective directors, officers, and employees (the "Company Relevant Persons"), and, to the knowledge of the Company, any agent, distributor, reseller or other Person acting on behalf of any of them (the "Other Relevant Persons") are and have in the past five (5) years been in compliance with: (i) all applicable sanctions laws, including the economic sanctions laws administered by the U.S. Department of the Treasury, Office of Foreign Assets Control ("OFAC"), the United Kingdom and the European Union; (ii) any laws or regulations regarding the importation of goods, including those administered by U.S. Customs and Border Protection; (iii) all applicable export control laws, including the Export Administration Regulations and the International Traffic in Arms Regulations, related to the regulation of exports (including deemed exports), re-exports, transfers, releases, shipments, transmissions, imports or similar transfer of goods, technology, data, software or services, or any other transactions or business dealings, by or on behalf of the Company or the Company Subsidiaries; and (iv) U.S. anti-boycott regulations ((i) through (iv) collectively, "Customs & International Trade Laws")

(b) None of the Company nor any of the Company Subsidiaries, nor the Company Relevant Persons, nor, to the knowledge of the Company, any Other Relevant Persons (i) have been or are designated on, or are owned or controlled by a party that has been or is designated on, any list of restricted parties ("Sanctioned Persons") maintained by any applicable Governmental Authority, including OFAC's Specially Designated Nationals and Blocked Persons List, OFAC's list of Foreign Sanctions Evaders, OFAC's Sectoral Sanctions Identifications List, the U.S. Department of Commerce's ("DOC") Denied Persons List, the DOC's Entity List, the Debarred List maintained by the U.S. Department of State or the EU Consolidated List; (ii) have been resident, located, or organized in a jurisdiction that is or has in the last five (5) years been subject to a U.S. comprehensive embargo (including Cuba, Iran, North Korea, Sudan, Syria, Venezuela and the Crimea region of Ukraine) (a "Sanctioned Country"); or (iii) have engaged in any dealings or transactions with or for the benefit of any Sanctioned Person or in any Sanctioned Country.

(c) In the last five (5) years, neither the Company nor any Company Relevant Person or Other Relevant Person has (i) made, authorized, solicited or received any bribe, unlawful rebate, payoff, influence payment, or kickback, (iii) established or maintained any unlawful fund of corporate monies or properties, (iii) used any corporate funds for any illegal contributions, gifts, entertainment, hospitality, travel, or other unlawful expenses, (iv) directly or indirectly, made, offered, authorized, facilitated, or promised any payment, contribution, gift, entertainment, bribe, rebate, kickback, financial or other advantage, or anything else of value, regardless of form or amount, to any official of a Governmental Authority or any other third party or (v) violated in any respect the U.S. Foreign Corrupt Practices Act, the UK Bribery Act 2010 or other applicable anti-corruption or anti-money laundering laws ("Anti-Corruption Laws"), in each case of (i) - (v), in connection with or relating to the business of the Company.

(d) There is no current investigation, allegation, request for information, notice, internal or, to the knowledge of the Company, external investigation or other inquiry by any Governmental Authority or any other third party regarding the actual or possible violation of Anti-Corruption Laws or Customs & International Trade Laws by the Company or any of its subsidiaries and in the last five (5) years neither the Company nor any of its subsidiaries have received any written notice that there is any investigation, allegation, request for information, or other inquiry by any Governmental Authority or any other third party, or made any voluntary or involuntary disclosure or conducted any internal investigation or audit, regarding any actual or possible violation of Anti-Corruption Laws or Customs & International Trade Laws.

2.22 Takeover Laws. The Company's Board of Directors has granted all approvals and taken all actions necessary to exempt this Agreement or the other Transaction Documents and the transactions contemplated hereby and thereby from the provisions of Section 203 of the Delaware Act so that such transactions may be consummated as promptly as practicable on the terms contemplated by this Agreement. No other anti-takeover, "fair price", "moratorium", "control share acquisition", "business combination statute or regulation", "supermajority", "affiliate transactions" state or regulations, or other similar restrictions on business combinations or voting requirements, or other similar U.S., foreign, state or local anti-takeover Law or regulations (including Section 203 of the Delaware Act) (each a "Takeover Law"), applies, purports to apply or will apply at the date hereof or as of the Effective Time to this Agreement or the other Transaction Documents or the transactions contemplated hereby and thereby. The Company does not have any stockholder rights plan or "poison pill" in effect, including without limitation any agreement with a third-party trust or fiduciary entity with respect thereto.

2.23 Continuity of Business. Following the Merger, the Surviving Corporation will continue the Company's historic business or use a significant portion of the Company's historic business assets in a business as required by Section 368 of the Code and the Treasury Regulations promulgated thereunder.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE PARENT,
THE SPLIT-OFF SUBSIDIARY, THE SPLIT-OFF PURCHASER AND THE ACQUISITION SUBSIDIARY

The Parent, the Split-Off Subsidiary, the Split-Off Purchaser and the Acquisition Subsidiary each represents and warrants to the Company that the statements contained in this Article III are and shall be, after giving effect to the Split-Off (unless otherwise stated to the contrary), true and correct, except as set forth in the disclosure schedule provided by the Parent to the Company on the date hereof and as of the Effective Time (the "Parent Disclosure Schedule"). The Parent Disclosure Schedule shall be arranged in paragraphs corresponding to the numbered and lettered paragraphs contained in this Article III; and to the extent that it is reasonably apparent from the context thereof that such disclosure also applies to any other numbered paragraph contained in this Article III, the disclosures in any numbered paragraph of the Parent Disclosure Schedule shall qualify such other corresponding numbered paragraph in this Article III. For purposes of this Article III, the phrase "to the knowledge of the Parent" or any phrase of similar import shall be deemed to refer to the actual knowledge of Paul Tidwell, the Parent's Chief Executive Officer, as well as any other knowledge which such person would have possessed had such person made reasonable inquiry of the accountants and attorneys of the Parent.

3.1 Organization, Qualification and Corporate Power. The Parent is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada and the Acquisition Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Parent is duly qualified to conduct business and is in good standing under the laws of each jurisdiction in which the nature of its businesses or the ownership or leasing of its properties requires such qualification, except where the failure to be so qualified or in good standing, individually or in the aggregate, has not had and would not reasonably be expected to have a Parent Material Adverse Effect (as defined below). The Parent has all requisite corporate power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it. The Parent has furnished or made available to the Company complete and accurate copies of (i) the articles of incorporation and bylaws of each of the Parent, and the Split-Off Subsidiary, each as amended to date, and (ii) Acquisition Subsidiary's certificate of incorporation and bylaws, each as amended to date. Neither the Parent nor the Acquisition Subsidiary is in default under or in violation of any provision of its certificate or articles of incorporation, each as amended to date, its bylaws, as amended to date, or any agreement referred to in Section 3.15 or 3.16, except where such default or violation would not reasonably be expected to have a Parent Material Adverse Effect. For purposes of this Agreement, "Parent Material Adverse Effect" means a material adverse effect on the assets, business, financial condition, or results of operations of the Parent and the Parent Subsidiaries (defined in Section 3.5), taken as a whole, provided that in no event shall any effects (whether alone or in combination) resulting from or arising in connection with any of the following be deemed to constitute, nor shall any of the following be taken into account in determining whether there has occurred, a Parent Material Adverse Effect: (a) conditions generally affecting the industries in which the Parent or the Parent Subsidiaries participate or the U.S. or global economy or capital markets as a whole; (b) any failure by the Parent to meet internal projections or forecasts or revenue or earnings predictions; (c) the execution, delivery, announcement or performance of the obligations under this Agreement or the announcement, pendency or anticipated consummation of the Merger; (d) any pandemic (including Covid-19), natural disaster or any acts of terrorism, sabotage, military action or war or any escalation or worsening thereof; (e) any changes (after the date of this Agreement) in GAAP, other applicable accounting rules or applicable Law, or changes or developments in political, regulatory or legislative conditions, or (f) the taking of any action required by this Agreement.

3.2 Capitalization. As of immediately prior to the Effective Time, but prior to giving effect to the issuance of the Merger Shares, the Private Placement Offering and the Share Contribution, the authorized capital stock of the Parent will consist of 500,000,000 shares of Parent Common Stock, $0.001 par value per share, of which 179,208,000 shares will be issued and outstanding, and 5,000,000 shares of Parent Preferred Stock, of which 1,000,000 shares will be outstanding . The Parent Common Stock is presently eligible for quotation and trading on the OTC Markets Group Inc. ("OTC Markets") and is not subject to any notice of suspension or delisting. All of the issued and outstanding shares of Parent Common Stock and Parent Preferred Stock are duly authorized, validly issued, fully paid, nonassessable and free of all preemptive rights and have been issued in accordance with applicable laws, including, but not limited to, the Securities Act. Except as contemplated by the Transaction Documentation or as described in Section 3.2 of the Parent Disclosure Schedule, there are no outstanding or authorized options, warrants, convertible notes, rights, agreements or commitments to which the Parent is a party or which are binding upon the Parent providing for the issuance or redemption of any of its capital stock. There are no outstanding or authorized stock appreciation, phantom stock or similar rights with respect to the Parent. Except as contemplated by the Transaction Documentation, there are no agreements to which the Parent is a party or by which it is bound with respect to the voting (including without limitation voting trusts or proxies), registration under the Securities Act, or sale or transfer (including without limitation agreements relating to pre-emptive rights, rights of first refusal, co-sale rights or "drag-along" rights) of any securities of the Parent. There are no agreements among other parties, to which the Parent is not a party and by which it is not bound, with respect to the voting (including without limitation voting trusts or proxies) or sale or transfer (including without limitation agreements relating to rights of first refusal, co-sale rights or "drag-along" rights) of any securities of the Parent. All of the issued and outstanding shares of Parent Common Stock and Parent Preferred Stock were issued in compliance in all material respects with applicable federal and state securities laws. The Merger Shares to be issued at the Closing pursuant to Section 1.5 hereof, when issued and delivered in accordance with the terms hereof and of the Certificate of Merger, shall be duly and validly issued, fully paid and nonassessable and free of all preemptive rights and will be issued in compliance with applicable federal and state securities laws. After giving effect to the surrender by the Split-Off Purchaser of 45,606,489 shares of Parent Common Stock and 1,000,000 shares of Parent Preferred Stock in connection with the Split-Off and the cancellation thereof, but prior to giving effect to the issuance of the Merger Shares and to the Private Placement Offering, there will be 126,468,511 shares of Parent Common Stock and no shares of Parent Preferred Stock issued and outstanding.

3.3 Authorization of Transaction. Each of the Parent, the Split-Off Subsidiary and the Acquisition Subsidiary has all requisite power and authority to execute and deliver this Agreement and (in the case of the Parent) the Split-Off Agreement and the General Release Agreement and to perform its respective obligations hereunder and thereunder. The execution and delivery by the Parent and the Acquisition Subsidiary of this Agreement and (in the case of the Parent) the Split-Off Agreement and the General Release Agreement and the agreements contemplated hereby and thereby (collectively, the "Transaction Documentation"), and the consummation by the Parent and the Acquisition Subsidiary of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action on the part of the Parent and the Acquisition Subsidiary, respectively. Each of the documents included in the Transaction Documentation has been duly and validly executed and delivered by the Parent or the Acquisition Subsidiary, as the case may be, and constitutes a valid and binding obligation of the Parent or the Acquisition Subsidiary, as the case may be, enforceable against each of them in accordance with the terms of such documents, except as such enforceability may be limited under applicable bankruptcy, insolvency and similar laws, rules or regulations affecting creditors' rights and remedies generally and to general principles of equity, whether applied in a court of law or a court of equity.

3.4 Noncontravention. Subject to the filing of the Certificate of Merger, neither the execution and delivery by the Parent or the Acquisition Subsidiary, as the case may be, of this Agreement or the Transaction Documentation, nor the consummation by the Parent or the Acquisition Subsidiary, as the case may be, of the transactions contemplated hereby or thereby, will (a) conflict with or violate any provision of the organizational documents or bylaws of the Parent or the Acquisition Subsidiary, as the case may be, (b) require on the part of the Parent or the Acquisition Subsidiary, as the case may be, any filing with, or permit, authorization, consent or approval of, any Governmental Entity, other than required notification to the Financial Industry Regulatory Authority, Inc., (c) conflict with, result in a breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of obligations under, create in any party any right to terminate, modify or cancel, or require any notice, consent or waiver under, any contract or instrument to which the Parent or the Acquisition Subsidiary, as the case may be, is a party or by which either is bound or to which any of their assets are subject, except for (i) any conflict, breach, default, acceleration, termination, modification or cancellation which would not reasonably be expected to have a Parent Material Adverse Effect and would not reasonably be expected to adversely affect the consummation of the transactions contemplated hereby or by any of the other Transaction Documents or (ii) any notice, consent or waiver the absence of which would not reasonably be expected to have a Parent Material Adverse Effect and would not reasonably be expected to adversely affect the consummation of the transactions contemplated hereby or by any of the other Transaction Documents, (d) result in the imposition of any security interest upon any assets of the Parent or the Acquisition Subsidiary or (e) violate any laws applicable to the Parent or the Acquisition Subsidiary, except for any violation which would not reasonably be expected to have a Parent Material Adverse Effect.

3.5 Subsidiaries.

(a) The Parent has no subsidiaries other than the Acquisition Subsidiary and the Split-Off Subsidiary (collectively, the "Parent Subsidiaries"). Each of the Acquisition Subsidiary and the Split-Off Subsidiary is an entity duly organized, validly existing and in corporate and tax good standing under the laws of the jurisdiction of its organization. The Acquisition Subsidiary was formed solely to effectuate the Merger, the Split-Off Subsidiary was formed solely to effectuate the Split-Off, and neither of them has conducted any business operations since its organization. The Parent has delivered or made available to the Company complete and accurate copies of the charter, bylaws or other organizational documents of the Acquisition Subsidiary and the Split-Off Subsidiary. Each of the Acquisition Subsidiary and the and the Split-Off Subsidiary has no assets other than minimal paid-in capital, has no liabilities or other obligations, and is not in default under or in violation of any provision of its certificate or articles of incorporation, bylaws or other organizational documents. All of the issued and outstanding shares of capital stock of the Acquisition Subsidiary and the Split-Off Subsidiary are duly authorized, validly issued, fully paid, nonassessable and free of preemptive rights. All issued and outstanding shares of capital stock of the Acquisition Subsidiary and the Split-Off Subsidiary are owned by the Parent free and clear of any restrictions on transfer (other than restrictions under the Securities Act and state securities laws), claims, Security Interests, options, warrants, rights, contracts, calls, commitments, equities and demands. There are no outstanding or authorized options, warrants, rights, agreements or commitments to which the Parent, the Split-Off Subsidiary or the Acquisition Subsidiary is a party or which are binding on any of them providing for the issuance, disposition or acquisition of any capital stock of the Parent, the Acquisition Subsidiary or the Split-Off Subsidiary (except as contemplated by this Agreement and the Split-Off Agreement). There are no outstanding stock appreciation, phantom stock or similar rights with respect to the Acquisition Subsidiary or the Split-Off Subsidiary. There are no voting trusts, proxies or other agreements or understandings with respect to the voting of any capital stock of the Acquisition Subsidiary or the Split-Off Subsidiary.

(b) At all times from January 23, 2004 (inception) through the date of this Agreement, the business and operations of the Parent have been conducted exclusively through the Parent.

(c) The Parent does not control directly or indirectly or have any direct or indirect participation or similar interest in any corporation, partnership, limited liability company, joint venture, trust or other business association which is not the Acquisition Subsidiary or the Split-Off Subsidiary.

3.6 SEC Reports and Prior Registration Statement Matters. The Parent has furnished or made available to the Company complete and accurate copies, as amended or supplemented, of its (a) Annual Report on Form 10-K for the fiscal year ended January 31, 2020, as filed with the SEC, which contained audited balance sheets of the Parent as of January 31, 2020 and the related statements of operation, changes in shareholders' equity and cash flows for the two years then ended; and (b) Quarterly Report on Form 10-Q for the quarterly period ended April 30, 2020; (c) Quarterly Report on Form 10-Q for the period ended July 30, 2020 and (d) all other reports filed by the Parent under Section 13 or subsections (a) or (c) of Section 14 of the Exchange Act with the SEC (such reports are collectively referred to herein as the "Parent Reports"). The Parent Reports constitute all of the documents required to be filed or furnished by the Parent with the SEC, including under Section 13 or subsections (a) or (c) of Section 14 of the Exchange Act, through the date of this Agreement. The Parent Reports complied in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder when filed. As of the date hereof, there are no outstanding or unresolved comments in comment letters received from the staff of the SEC with respect to any of the Parent Reports. As of their respective dates, the Parent Reports, including any financial statements, schedules or exhibits included or incorporated by reference therein, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. None of the Parent Subsidiaries is required to file or furnish any forms, reports or other documents with the SEC. No order suspending the effectiveness of any registration statement of Parent under the Securities Act or the Exchange Act has been issued by the SEC and, to Parent's knowledge, no proceedings for that purpose have been initialed or threatened by the SEC.

3.7 Compliance with Laws. Each of the Parent and the Parent Subsidiaries:

(a) and the conduct and operations of their respective businesses, are in compliance with each Law applicable to the Parent, any Parent Subsidiary or any of their respective properties or assets, except for any violations or defaults that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect;

(b) has complied with all federal and state securities laws and regulations, including being current in all of its respective reporting obligations under such federal and state securities laws and regulations, except for any violations or defaults that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect, and all prior issuances of its respective securities have been either registered under the Securities Act or exempt from registration;

(c) has not been the subject of any voluntary or involuntary bankruptcy proceeding, and has not been a party to any material litigation or, within the past two years, the subject of any threat of material litigation;

(d) is not and has not, and the past and present officers, directors and Affiliates of the Parent are not and have not, been the subject of, nor does any officer or director of the Parent have any reason to believe that the Parent or any of its officers, directors or Affiliates are the subject of, any civil, criminal or administrative investigation or proceeding brought by any federal or state agency having regulatory authority over such entity or person or alleging a violation of securities laws; and

(f) is not a "blank check company" as such term is defined by Rule 419 of the Securities Act.

3.8 Financial Statements. The audited financial statements and unaudited interim financial statements of the Parent included in the Parent Reports (collectively, the "Parent Financial Statements") (i) complied as to form in all material respects with applicable accounting requirements and, as appropriate, the published rules and regulations of the SEC with respect thereto when filed, (ii) were prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby (except as may be indicated therein or in the notes thereto, and in the case of quarterly financial statements, as permitted by Form 10-Q under the Exchange Act), (iii) fairly present in all material respects the financial condition, results of operations and cash flows of the Parent as of the respective dates thereof and for the periods referred to therein, and (iv) are consistent in all material respects with the books and records of the Parent.

3.9 Absence of Certain Changes. Except as set forth in Section 3.9 of the Parent Disclosure Schedule, since the date of the balance sheet contained in the most recent Parent Report, (a) there has occurred no event or development which, individually or in the aggregate, has had, or could reasonably be expected to have in the future, a Parent Material Adverse Effect and (b) none of the Parent, the Split-Off Subsidiary nor the Acquisition Subsidiary has taken any of the actions set forth in paragraphs (a) through (m) of Section 4.6.

3.10 Undisclosed Liabilities. None of the Parent and the Parent Subsidiaries has any liability (whether known or unknown, whether absolute or contingent, whether liquidated or unliquidated and whether due or to become due), except for (a) liabilities shown on the balance sheet contained in the most recent Parent Report, (b) liabilities which have arisen since the date of the balance sheet contained in the most recent Parent Report in the ordinary course of business which do not exceed $25,000 in the aggregate and (c) contractual and other liabilities incurred in the Ordinary Course of Business which are not required by GAAP to be reflected on a balance sheet.

3.11 Off-Balance Sheet Arrangements. Neither the Parent nor any of the Parent Subsidiaries is a party to, or has any commitment to become a party to, any joint venture, off balance sheet partnership or any similar contract or arrangement (including any contract or arrangement relating to any transaction or relationship between or among the Parent and any of the Parent Subsidiaries, on the one hand, and any unconsolidated affiliate, including any structured finance, special purpose or limited purpose entity or person, on the other hand, or any "off balance sheet arrangements" (as defined in Item 303(a) of Regulation S-K under the Exchange Act)), where the result, purpose or intended effect of such contract is to avoid disclosure of any material transaction involving, or material liabilities of, the Parent or any of the Parent Subsidiaries in the Parent's or such Parent Subsidiary's published financial statements or other Parent Reports.

3.12 Tax Matters.

(a) Since June 30, 2011, Parent and the Parent Subsidiaries has filed on a timely basisany return (including any information return), report, election, estimated tax filing, custom filing, declaration, claim for refund, statement, schedule, notice, form, or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Entity in connection with the determination, assessment, collection, or payment of any Tax or in connection with the administration, implementation, or enforcement of or compliance with any legal requirement relating to any Tax, including any amendments, supporting schedules or attachments thereto("Tax Returns") that it was required to file, and all such Tax Returns were complete and accurate in all material respects. Neither the Parent nor any of the Parent Subsidiaries is or has ever been a member of a group of corporations with which it has filed (or been required to file) consolidated, combined or unitary Tax Returns, other than a group of which only the Parent and the Parent Subsidiaries are or were members. Each of the Parent and the Parent Subsidiaries has paid on a timely basis all means any federal, state, local, foreign or other taxes, including without limitation income taxes, estimated taxes, excise taxes, sales taxes, use taxes, gross receipts taxes, franchise taxes, employment and payroll related taxes, withholding taxes, stamp taxes, transfer taxes and property taxes, whether or not measured in whole or in part by net income.("Taxes") that were due and payable. The unpaid Taxes of the Parent and the Parent Subsidiaries for tax periods through the date of the balance sheet contained in the most recent Parent Report do not exceed the accruals and reserves for Taxes (excluding accruals and reserves for deferred Taxes established to reflect timing differences between book and Tax income) set forth on such balance sheet. Neither the Parent nor any of the Parent Subsidiaries has any actual or potential liability for any Tax obligation of any taxpayer (including without limitation any affiliated group of corporations or other entities that included the Parent or any of the Parent Subsidiaries during a prior period) other than the Parent and the Parent Subsidiaries. All Taxes that the Parent or any of the Parent Subsidiaries is or was required by law to withhold or collect have been duly withheld or collected and, to the extent required, have been paid to the proper Governmental Entity.

(b) The Parent has delivered or made available to the Company complete and accurate copies of all federal income Tax Returns, examination reports and statements of deficiencies assessed against or agreed to by the Parent or any of the Parent Subsidiaries since June 30, 2011 . No examination or audit of any Tax Return of the Parent or any of the Parent Subsidiaries by any Governmental Entity is currently in progress or, to the knowledge of the Parent, threatened or contemplated. Neither the Parent nor any of the Parent Subsidiaries has been informed by any jurisdiction that the jurisdiction believes that the Parent or any of the Parent Subsidiaries was required to file any Tax Return that was not filed. Neither the Parent nor any of the Parent Subsidiaries has waived any statute of limitations with respect to Taxes or agreed to an extension of time with respect to a Tax assessment or deficiency.

3.13 Assets. Each of the Parent, the Split-Off Subsidiary and the Acquisition Subsidiary owns or leases all tangible assets necessary for the conduct of its respective businesses as presently conducted and as presently proposed to be conducted. Each such tangible asset is free from material defects, has been maintained in accordance with normal industry practice, is in good operating condition and repair (subject to normal wear and tear) and is suitable for the purposes for which it presently is used. No asset of the Parent, the Split-Off Subsidiary or the Acquisition Subsidiary (tangible or intangible) is subject to any Security Interest.

3.14 Owned Real Property. Neither the Parent nor any of the Parent Subsidiaries owns any real property.

3.15 Real Property Leases. Neither the Parent nor any of the Parent Subsidiaries leases or subleases any real property.

3.16 Contracts.

(a) Section 3.16 of the Parent Disclosure Schedule lists the following agreements (written or oral) to which the Parent or any of the Parent Subsidiaries is a party as of the date of this Agreement:

(i) any agreement (or group of related agreements) for the lease of personal property from or to third parties;

(ii) any agreement (or group of related agreements) for the purchase or sale of products or for the furnishing or receipt of services;

(iii) any agreement establishing a partnership or joint venture;

(iv) any agreement (or group of related agreements) under which it has created, incurred, assumed or guaranteed (or may create, incur, assume or guarantee) indebtedness (including capitalized lease obligations) or under which it has imposed (or may impose) a Security Interest on any of its assets, tangible or intangible;

(v) any agreement that purports to limit in any material respect the right of the Parent or any of the Parent Subsidiaries to engage in any line of business, or to compete with any person or operate in any geographical location;

(vi) any employment or consulting agreement;

(vii) any agreement involving any current or former officer, director or stockholder of the Parent or any Affiliate thereof;

(viii) any agreement under which the consequences of a default or termination would reasonably be expected to have a Parent Material Adverse Effect;

(ix) any agreement which contains any provisions requiring the Parent or any of the Parent Subsidiaries to indemnify any other party thereto (excluding indemnities contained in agreements for the purchase, sale or license of products entered into in the Ordinary Course of Business);

(x) any other agreement (or group of related agreements) either involving more than $5,000 or not entered into in the Ordinary Course of Business; and

(xi) any agreement, other than as contemplated by this Agreement and the Split-Off, relating to the sales of securities of the Parent or any of the Parent Subsidiaries to which the Parent or such Parent Subsidiary is a party.

(b) The Parent has delivered or made available to the Company a complete and accurate copy of each agreement listed in Section 3.16 of the Parent Disclosure Schedule. With respect to each agreement so listed: (i) the agreement is legal, valid, binding and enforceable and in full force and effect, except as such enforceability may be limited under applicable bankruptcy, insolvency and similar laws, rules or regulations affecting creditors' rights and remedies generally and to general principles of equity whether applied in a court of law or a court of equity; (ii) the agreement will not, as a result of the execution and delivery by the Parent of this Agreement or any of the other Transaction Documents or the consummation by the Parent of the transactions contemplated hereby or thereby, cease to be a legal, valid, binding and enforceable obligation of the Parent, except as such enforceability may be limited under applicable bankruptcy, insolvency and similar laws, rules or regulations affecting creditors' rights and remedies generally and to general principles of equity, whether applied in a court of law or a court of equity, or to be in full force and effect in accordance with the terms thereof as in effect immediately prior to the Closing; and (iii) neither the Parent nor any of the Parent Subsidiaries nor, to the knowledge of the Parent, any other party, is in breach or violation of, or default under, any such agreement, and no event has occurred, is pending or, to the knowledge of the Parent, is threatened, which, after the giving of notice, with lapse of time or otherwise, would constitute a breach or default by the Parent or any of the Parent Subsidiaries or, to the knowledge of the Parent, any other party under such contract.

3.17 Accounts Receivable. The Parent and the Parent Subsidiaries have no current receivables.

3.18 Powers of Attorney. There are no outstanding powers of attorney executed on behalf of the Parent or any of the Parent Subsidiaries.

3.19 Insurance. Section 3.19 of the Parent Disclosure Schedule lists each insurance policy (including fire, theft, casualty, general liability, workers compensation, business interruption, environmental, product liability and automobile insurance policies and bond and surety arrangements) to which the Parent or any of the Parent Subsidiaries is a party. Such insurance policies are of the type and in amounts customarily carried by organizations conducting businesses or owning assets similar to those of the Parent and the Parent Subsidiaries. There is no material claim pending under any such policy as to which coverage has been questioned, denied or disputed by the underwriter of such policy. All premiums due and payable under all such policies have been paid, neither the Parent nor any of the Parent Subsidiaries may be liable for retroactive premiums or similar payments, and the Parent and the Parent Subsidiaries are otherwise in compliance in all material respects with the terms of such policies. The Parent has no knowledge of any threatened termination of, or material premium increase with respect to, any such policy.

3.20 Warranties. No product or service sold or delivered by the Parent or any of the Parent Subsidiaries is subject to any guaranty, warranty, right of credit or other indemnity other than the applicable standard terms and conditions of sale of the Parent or the appropriate Parent Subsidiary.

3.21 Litigation. Except as disclosed in Section 3.21 of the Parent Disclosure Schedule, as of the date of this Agreement, there is no Legal Proceeding which is pending or, to the Parent's knowledge, threatened against the Parent or any of the Parent Subsidiaries which, if determined adversely to the Parent or such Parent Subsidiary, could have, individually or in the aggregate, a Parent Material Adverse Effect or which in any manner challenges or seeks to prevent, enjoin, alter or delay the transactions contemplated by this Agreement or any of the other Transaction Documents. For purposes of this Section 3.21, any such pending or threatened Legal Proceedings where the amount at issue exceeds or could reasonably be expected to exceed the lesser of $10,000 per Legal Proceeding or $25,000 in the aggregate shall be considered to possibly result in a Parent Material Adverse Effect hereunder.

3.22 Employees.

(a)The Parent and Parent Subsidiaries have one employee, Paul Tidwell. Mr. Tidwell does not have an employment agreement with the Company.

(b) Neither the Parent nor any of the Parent Subsidiaries is a party to or bound by any collective bargaining agreement, nor have any of them experienced any strikes, grievances, claims of unfair labor practices or other collective bargaining disputes. The Parent has no knowledge of any organizational effort made or threatened, either currently or since the date of organization of the Parent, by or on behalf of any labor union with respect to employees of the Parent or any of the Parent Subsidiaries.

3.23 Employee Benefits. Neither the Parent nor any of the Parent Subsidiaries or trade or business, that is a member of a group described in Section 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") that includes the first entity, trade or business, or that is a member of the same "controlled group" as the first entity, trade or business pursuant to Section 4001(a)(14) of ERISA("ERISA Affiliates") maintains, sponsors or contributes to or in the past has maintained, sponsored or contributed to any Employee Benefit Plan or multiemployer plan (as defined in Section 4001(a)(3) of ERISA).

3.24 Environmental Matters.

(a) Each of the Parent and the Parent Subsidiaries has complied with all applicable Environmental Laws, except for violations of Environmental Laws that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect. There is no pending or, to the knowledge of the Parent, threatened civil or criminal litigation, written notice of violation, formal administrative proceeding, or investigation, inquiry or information request by any Governmental Entity, relating to any Environmental Law involving the Parent or any of the Parent Subsidiaries, except for litigation, notices of violations, formal administrative proceedings or investigations, inquiries or information requests that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect.

(b) Set forth in Section 3.24(b) of the Parent Disclosure Schedule is a list of all documents (whether in hard copy or electronic form) that contain any environmental reports, investigations and audits relating to premises currently or previously owned or operated by the Parent or any of the Parent Subsidiaries (whether conducted by or on behalf of the Parent or the Parent Subsidiaries or a third party, and whether done at the initiative of the Parent or any of the Parent Subsidiaries or directed by a Governmental Entity or other third party) which were issued or conducted during the past five years and which the Parent has possession of or access to. A complete and accurate copy of each such document has been provided to the Company.

(c) To the knowledge of the Parent, there is no material environmental liability of any solid or hazardous waste transporter or treatment, storage or disposal facility that has been used by the Parent or any of the Parent Subsidiaries.

3.25 Permits. Section 3.25 of the Parent Disclosure Schedule sets forth a list of all authorizations, approvals, clearances, permits, licenses, registrations, certificates, orders, approvals or exemptions from any Governmental Entity (including without limitation those issued or required under Environmental Laws and those relating to the occupancy or use of owned or leased real property) ("Parent Permits") issued to or held by the Parent or any of the Parent Subsidiaries. Such listed permits are the only Parent Permits that are required for the Parent and any of the Parent Subsidiaries to conduct their respective businesses as presently conducted except for those the absence of which, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect. Each such Parent Permit is in full force and effect and, to the knowledge of the Parent, no suspension or cancellation of such Parent Permit is threatened and there is no basis for believing that such Parent Permit will not be renewable upon expiration. Each such Parent Permit will continue in full force and effect immediately following the Closing.

3.26 Certain Business Relationships with Affiliates. No Affiliate of the Parent or of any of the Parent Subsidiaries (a) owns any property or right, tangible or intangible, which is used in the business of the Parent or any of the Parent Subsidiaries, (b) has any claim or cause of action against the Parent or any of the Parent Subsidiaries, or (c) owes any money to, or is owed any money by, the Parent or any of the Parent Subsidiaries. Section 3.26 of the Parent Disclosure Schedule describes any transactions involving the receipt or payment in excess of $1,000 in any fiscal year between the Parent or any of the Parent Subsidiaries and any Affiliate thereof which have occurred or existed since the beginning of the time period covered by the Parent Financial Statements.

3.27 Tax-Free Reorganization.

(a) The Parent (i) is not an "investment company" as defined in Section 368(a)(2)(F)(iii) and (iv) of the Code; (ii) has no present plan or intention to liquidate the Surviving Corporation or to merge the Surviving Corporation with or into any other corporation or entity, or to sell or otherwise dispose of the capital stock of the Surviving Corporation which the Parent will acquire in the Merger, or to cause the Surviving Corporation to sell or otherwise dispose of its assets, all except in the ordinary course of business or if such liquidation, merger or disposition is described in Section 368(a)(2)(C) or Treasury Regulation Section 1.368-2(d)(4) or Section 1.368-2(k); and (iii) has no present plan or intention, following the Merger, to issue any additional shares of capital stock of the Surviving Corporation or to create any new class of capital stock of the Surviving Corporation.

(b) The Acquisition Subsidiary is a wholly-owned subsidiary of the Parent, formed solely for the purpose of engaging in the Merger, and will carry on no business prior to the Merger.

(c) Immediately prior to the Merger, the Parent will be in control of Acquisition Subsidiary within the meaning of Section 368(c) of the Code.

(d) Immediately following the Merger, the Surviving Corporation will hold at least 90% of the fair market value of the net assets and at least 70% of the fair market value of the gross assets held by the Company immediately prior to the Merger (for purposes of this representation, amounts used by the Company to pay reorganization expenses, if any, will be included as assets of the Company held immediately prior to the Merger).

(e) The Parent has no present plan or intention to reacquire any of the Merger Shares.

(f) The Acquisition Subsidiary will have no liabilities assumed by the Surviving Corporation and will not transfer to the Surviving Corporation any assets subject to liabilities in the Merger.

(g) reserved

(h) Each of the Split-Off Agreement and the General Release Agreement will constitute a legally binding obligation among the Parent, the Split-Off Subsidiary and the Split-Off Purchaser prior to the Effective Time. Immediately following consummation of the Merger, the Parent will distribute the capital stock of the Split-Off Subsidiary to the Split-Off Purchaser in cancellation of the shares comprising the Share Contribution (as such term is defined in the Split-Off Agreement), and no property other than the capital stock of Split-Off Subsidiary will be distributed by the Parent to the Split-Off Purchaser in connection with or following the Merger. Upon execution of the Split-Off Agreement and the General Release Agreement, there will be no other plan, arrangement, agreement, contract, intention or understanding, whether written or verbal and whether or not enforceable in law or equity, that would permit the Split-Off Purchaser to vote the shares comprising the Share Contribution or receive any property or other distributions from the Parent with respect to the shares comprising the Share Contribution other than the capital stock of the Split-Off Subsidiary.

3.28 Split-Off. As of the Effective Time, the Parent will have discontinued all of its business operations which it conducted prior to the Effective Time by closing the transactions contemplated by the Split-Off Agreement and the General Release Agreement. Upon the closing of the transactions contemplated by the Split-Off Agreement and the General Release Agreement, except as set forth on Section 3.28 of the Parent Disclosure Schedule, the Parent will have no liabilities, contingent or otherwise, in any way related to its pre-Effective Time business operations or to the Split-Off Subsidiary. Such liabilities shall be less than an aggregate of $30,000. In the Split-Off, approximately $797,000 in Parent liabilities, inclusive of related party loans, accrued expenses and project advances, shall be assumed by the Split-Off Subsidiary and $30,000 in cash shall be included with the Parent assets being transferred to the Split-Off Subsidiary.

3.29 Brokers' Fees. Neither the Parent nor any of the Parent Subsidiaries has any liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement or any of the other Transaction Documents.

3.30 Disclosure. No representation or warranty by the Parent, the Split-Off Subsidiary or the Acquisition Subsidiary contained in this Agreement, and no statement contained in the any document, certificate or other instrument delivered or to be delivered by or on behalf of the Parent, the Split-Off Subsidiary or the Acquisition Subsidiary pursuant to this Agreement, including any of the other Transaction Documents, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary, in light of the circumstances under which it was or will be made, in order to make the statements herein or therein not misleading. The Parent has disclosed to the Company all material information relating to the business of the Parent and it's the Parent Subsidiaries in order to effect the transactions contemplated by this Agreement and the other Transaction Documents.

3.31 Interested Party Transactions. Since June 30, 2011, to the knowledge of the Parent, no officer, director or stockholder of the Parent or any "affiliate" (as such term is defined in Rule 12b-2 under the Exchange Act) or "associate" (as such term is defined in Rule 405 under the Securities Act) of any such person or entity currently has or has had since the date of the Parent's organization, either directly or indirectly, (a) an interest in any person that (i) furnishes or sells services or products that are furnished or sold or are proposed to be furnished or sold by the Parent or any of the Parent Subsidiaries or (ii) purchases from or sells or furnishes to the Parent or any of the Parent Subsidiaries any goods or services, or (b) a beneficial interest in any contract or agreement to which the Parent or any of the Parent Subsidiaries is a party or by which it may be bound or affected. Neither the Parent nor any of the Parent Subsidiaries has extended or maintained credit, arranged for the extension of credit, or renewed an extension of credit, in the form of a personal loan to or for any director or executive officer (or equivalent thereof) of the Parent or any of the Parent Subsidiaries.

3.32 Duty to Make Inquiry. To the extent that any of the representations or warranties in this Article III are qualified by "knowledge" or "belief," each of the Parent, the Split-Off Subsidiary and the Acquisition Subsidiary represents and warrants that it has made due and reasonable inquiry and investigation concerning the matters to which such representations and warranties relate, including, but not limited to, diligent inquiry by its directors, officers and key personnel and the directors, officers and key personnel of any Parent Subsidiary.

3.33 Accountants. Marcum, LLP (the "Parent Auditor") is and has been throughout the periods covered by the financial statements of the Parent for the most recently completed fiscal year and through the date hereof (a) a registered public accounting firm (as defined in Section 2(a)(12) of the Sarbanes-Oxley Act of 2002), (b) "independent" with respect to the Parent within the meaning of Regulation S-X and (c) in compliance with subsections (g) through (l) of Section 10A of the Exchange Act and the related rules of the SEC and the Public Company Accounting Oversight Board. Schedule 3.33 of the Parent Disclosure Schedule lists all non-audit services performed by Parent Auditor for the Parent and/or any of the Parent Subsidiaries. Except as set forth on Section 3.33 of the Parent Disclosure Schedule, the report of the Parent Auditor on the financial statements of the Parent for the past fiscal year did not contain an adverse opinion or a disclaimer of opinion, or was qualified as to uncertainty, audit scope, or accounting principles, although it did express uncertainty as to the Parent's ability to continue as a going concern. During the Parent's most recent fiscal year and the subsequent interim periods, there were no disagreements with the Parent Auditor on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures. None of the reportable events listed in Item 304(a)(1)(iv) or (v) of Regulation S-K occurred with respect to the Parent Auditor.

3.34 Minute Books. The minute books and other similar records of the Parent and each of the Parent Subsidiaries contain, in all material respects, complete and accurate records of all actions taken at any meetings of directors (or committees thereof) and stockholders or actions by written consent in lieu of the holding of any such meetings since the time of organization of each such corporation through the date of this Agreement. The Parent has provided true and complete copies of all such minute books and other similar records to the Company's representatives.

3.35 Board Action. The Parent's Board of Directors (a) has unanimously determined that the Merger and the other transactions contemplated by this Agreement and the other Transaction Documents are advisable and in the best interests of the Parent's stockholders and are on terms that are fair to such Parent stockholders, (b) has caused the Parent, in its capacity as the sole stockholder of each of the Acquisition Subsidiary and the Split-Off Subsidiary, and the Board of Directors of each of the Acquisition Subsidiary and the Split-Off Subsidiary, to approve the Merger, this Agreement and all other applicable Transaction Documents by unanimous written consent, (c) adopted this Agreement and all other applicable Transaction Documents in accordance with the provisions of the Delaware Act, and (d) directed that this Agreement, all other Transaction Documents and the Merger and all other transactions related thereto be submitted to the Parent's stockholders for their adoption and approval and resolved to recommend that the Parent stockholders vote in favor of the adoption of this Agreement and the other Transaction Documents and the approval of the Merger and the transactions contemplated hereby and thereby.

3.36 Takeover Laws. The Parent's Board of Directors has granted all approvals and taken all actions necessary to exempt this Agreement or the other Transaction Documents and the transactions contemplated hereby and thereby from the provisions of the Nevada Revised Statutes or the Delaware Act, as applicable, so that such transactions may be consummated as promptly as practicable on the terms contemplated by this Agreement. No other anti-takeover, "fair price", "moratorium", "control share acquisition", "business combination statute or regulation", "supermajority", "affiliate transactions" state or regulations, or other similar restrictions on business combinations or voting requirements, or other similar U.S., foreign, state or local anti-takeover Law or regulations (including Section 203 of the Delaware Act), applies, purports to apply or will apply at the date hereof or as of the Effective Time to this Agreement or the other Transaction Documents or the transactions contemplated hereby and thereby. The Parent does not have any stockholder rights plan or "poison pill" in effect, including without limitation any agreement with a third-party trust or fiduciary entity with respect thereto.

3.37 Reserved.

3.38 Intellectual Property.

(a) Schedule 3.38(a) sets forth an accurate and complete list of all (i) trademark and service mark registrations and pending registration applications, unregistered trademarks or service marks, Internet domain name registrations and trade names, (ii) patents and pending patent applications, and (iii) copyright registrations and pending registration applications, in each case, that are owned by the Parent or any of the Parent Subsidiaries, including, to the extent applicable, the date of registration or application and name of registration body where the registration or application was made.

(b) The conduct of Parent's business, as currently conducted by Parent and the Parent Subsidiaries, does not infringe, misappropriate, dilute or otherwise violate any Person's Intellectual Property rights, and there is no claim of any such infringement or violation pending or to the knowledge of Parent threatened against Parent or any of the Parent Subsidiaries.

(c) To the knowledge of the Parent, no Person is infringing, misappropriating, diluting or otherwise violating any Parent Intellectual Property, and no claim of any such infringement, misappropriation, dilution or violation is pending or threatened against any Person by the Parent and /or the Parent Subsidiaries. Since the date of Parent's organization, neither Parent nor any of the Parent Subsidiaries has received written notice from any third party alleging that the operation of Parent's business as currently conducted or of the Parent's or any of the Parent Subsidiaries' products infringes, misappropriates, dilutes or otherwise violates the Intellectual Property of any third party in a manner that has or could reasonably be expected to result in a Parent Material Adverse Effect.

(d) Neither the Parent nor any of the Parent Subsidiaries has transferred ownership of, or granted any exclusive license with respect to, any material Parent Intellectual Property used in the conduct of Parent's business as currently conducted to any third party. Neither the Parent nor any of the Parent Subsidiaries has performed developments for any third party, except where the Parent or any such subsidiary owns or retains a right to use any Intellectual Property developed in connection therewith that is used in or necessary for the operation of Parent's business.

(e) The Parent and each of the Parent Subsidiaries has taken commercially reasonable steps to protect such entity's rights in confidential information and trade secrets or any trade secrets or confidential information of third parties provided to the Parent or any of the Parent Subsidiaries.

(f) No Parent Intellectual Property is subject to any Legal Proceeding that (i) restricts in any manner the use, sale, assignment, license or lease thereof by the Parent or any of the Parent Subsidiaries; or (ii) may affect, in full or in part, the validity, subsistence, enforceability or force and effect thereof.

3.39 International Trade; Anti-Corruption.

(a) The Parent and each of the Parent Subsidiaries, their respective directors, officers, and employees (the "Parent Relevant Persons"), and, to the knowledge of the Parent, any agent, distributor, reseller or other Person acting on behalf of any of them (the "Other Relevant Persons") are and have in the past five (5) years been in compliance with all Customs & International Trade Laws.

(b) None of the Parent nor any of its subsidiaries, nor the Parent Relevant Persons, nor, to the knowledge of the Parent, any Other Relevant Persons (i) Sanctioned Persons on OFAC's list of Foreign Sanctions Evaders, OFAC's Sectoral Sanctions Identifications List, the DOC's Denied Persons List, the DOC's Entity List, the Debarred List maintained by the U.S. Department of State or the EU Consolidated List; (ii) have been resident, located, or organized in a jurisdiction that is a Sanctioned Country; or (iii) have engaged in any dealings or transactions with or for the benefit of any Sanctioned Person or in any Sanctioned Country.

(c) In the last five (5) years, neither the Parent nor any Parent Relevant Person or Other Relevant Person has (i) made, authorized, solicited or received any bribe, unlawful rebate, payoff, influence payment, or kickback, (iii) established or maintained any unlawful fund of corporate monies or properties, (iii) used any corporate funds for any illegal contributions, gifts, entertainment, hospitality, travel, or other unlawful expenses, (iv) directly or indirectly, made, offered, authorized, facilitated, or promised any payment, contribution, gift, entertainment, bribe, rebate, kickback, financial or other advantage, or anything else of value, regardless of form or amount, to any official of a Governmental Authority or any other third party or (v) violated in any respect any Anti-Corruption Laws, in each case of (i) - (v), in connection with or relating to the business of the Parent.

(d) There is no current investigation, allegation, request for information, notice, internal or, to the knowledge of the Parent, external investigation or other inquiry by any Governmental Authority or any other third party regarding the actual or possible violation of Anti-Corruption Laws or Customs & International Trade Laws by the Parent or any of the Parent Subsidiaries and in the last five (5) years neither the Parent nor any of the Parent Subsidiaries have received any written notice that there is any investigation, allegation, request for information, or other inquiry by any Governmental Authority or any other third party, or made any voluntary or involuntary disclosure or conducted any internal investigation or audit, regarding any actual or possible violation of Anti-Corruption Laws or Customs & International Trade Laws.

ARTICLE IV
COVENANTS

4.1 Closing Efforts. Each of the Parties shall use its best efforts, to the extent commercially reasonable in light of the circumstances ("Reasonable Best Efforts"), to take all actions and to do all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement, including without limitation using its Reasonable Best Efforts to ensure that (i) its representations and warranties remain true and correct in all material respects through the Closing Date and (ii) the conditions to the obligations of the other Parties to consummate the Merger, the Split-Off and the Private Placement are satisfied.

4.2 Governmental and Third-Party Notices and Consents.

(a) Each Party shall use its Reasonable Best Efforts to obtain, at its expense, all waivers, permits, consents, approvals or other authorizations from Governmental Entities, and to effect all registrations, filings and notices with or to Governmental Entities, as may be required for such Party to consummate the transactions contemplated by this Agreement and the other Transaction Documents and to otherwise comply with all applicable Laws in connection with the consummation of the transactions contemplated by this Agreement and the other Transaction Documents.

(b) The Company shall use its Reasonable Best Efforts to obtain, at its expense, all such waivers, consents or approvals from third parties, and to give all such notices to third parties.

4.3 Super 8-K. Promptly after the execution of this Agreement, the Parties shall prepare a Current Report on Form 8-K relating to this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby (the "Super 8-K"). Each of the Company and the Parent shall use its Reasonable Best Efforts to cause the Parent to file the Super 8-K with the SEC within four Business Days of the execution of this Agreement and to otherwise comply with all requirements of applicable federal and state securities laws.

4.4 Operation of Company Business Except as contemplated by this Agreement, during the period from the date of this Agreement to the Effective Time, the Company shall (and shall cause each Company Subsidiary to) conduct its respective operations in the Ordinary Course of Business and in material compliance with all laws applicable to the Company, any Company Subsidiary or any of their respective properties or assets and, to the extent consistent therewith, use Reasonable Best Efforts to preserve intact its respective current business organization, keep its respective physical assets in good working condition, keep available the services of its respective current officers and employees and preserve its respective relationships with customers, suppliers and others having business dealings with the Company and any Company Subsidiary to the end that its respective goodwill and ongoing business shall not be impaired in any material respect. Without limiting the generality of the foregoing, prior to the Effective Time, the Company shall not (and shall cause each Company Subsidiary not to), without the written consent of the Parent (which shall not be unreasonably withheld or delayed) and except as contemplated by this Agreement:

(a) Issue or sell, or redeem or repurchase, any stock or other securities of the Company or any warrants, options or other rights to acquire any such stock or other securities (except pursuant to the conversion or exercise of outstanding convertible securities or Company Options or Company Warrants outstanding on the date hereof), or amend any of the terms of (including without limitation the vesting of) any such convertible securities or options or warrants;

(b) Split, combine or reclassify any shares of its capital stock; declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of its capital stock;

(c) Create, incur or assume any indebtedness for borrowed money (including obligations in respect of capital leases) except in the Ordinary Course of Business or in connection with the transactions contemplated by this Agreement or any of the other Transaction Documents; assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other person or entity; or make any loans, advances or capital contributions to, or investments in, any other person or entity;

(d) Acquire, sell, lease, license or dispose of any assets or property (including without limitation any shares or other equity interests in or securities of any Company Subsidiary or any corporation, partnership, association or other business organization or division thereof), other than purchases and sales of assets in the Ordinary Course of Business;

(e) Mortgage or pledge any of its property or assets (including without limitation any shares or other equity interests in or securities of any Company Subsidiary or any corporation, partnership, association or other business organization or division thereof), or subject any such property or assets to any Security Interest;

(f) Discharge or satisfy any Security Interest or pay any obligation or liability other than in the Ordinary Course of Business;

(g) Amend its charter, by-laws or other organizational documents;

(h) Change in any material respect its accounting methods, principles or practices, except insofar as may be required by a generally applicable change in GAAP;

(i) Enter into, amend, terminate, take or omit to take any action that would constitute a violation of or default under, or waive any rights under, any material contract or agreement;

(j) Institute or settle any Legal Proceeding;

(k) Take any action or fail to take any action permitted by this Agreement with the knowledge that such action or failure to take action would result in (i) any of the representations and warranties of the Company set forth in this Agreement becoming untrue in any material respect or (ii) any of the conditions to the Merger set forth in Article V not being satisfied; or

(l) Agree in writing or otherwise to take any of the foregoing actions.

4.5 Access to Company Information.

(a) During the period from the date of this Agreement to the Effective Time, the Company shall (and shall cause each Company Subsidiary to) permit representatives of the Parent to have reasonable access (at all reasonable times, and in a manner so as not to interfere with the normal business operations of the Company and the Company Subsidiaries) to all premises, properties, financial and accounting records, contracts, other records and documents, and personnel, of or pertaining to the Company and each Company Subsidiary.

(b) The Parent and each of its Subsidiaries (i) shall treat and hold as confidential any Company Confidential Information (as defined below), (ii) shall not use any of the Company Confidential Information except in connection with this Agreement, and (iii) if this Agreement is terminated for any reason whatsoever, shall return to the Company all tangible embodiments (and all copies) thereof which are in its possession. For purposes of this Agreement, "Company Confidential Information" means any information of the Company or any Company Subsidiary that is furnished to the Parent or any of the Parent Subsidiaries by the Company or any Company Subsidiary in connection with this Agreement and any other Transaction Documents; provided, however, that it shall not include any information (A) which, at the time of disclosure, is available publicly other than as a result of non-permitted disclosure by the Parent, any of the Parent Subsidiaries or their respective directors, officers, or employees, (B) which, after disclosure, becomes available publicly through no fault of the Parent, any of the Parent Subsidiaries or their respective directors, officers, or employees, (C) which the Parent or any of the Parent Subsidiaries knew or to which the Parent or any of the Parent Subsidiaries had access prior to disclosure, provided that the source of such information is not known by the Parent or any of the Parent Subsidiaries to be bound by a confidentiality obligation to the Company or any Company Subsidiary, or (D) which the Parent or any of the Parent Subsidiaries rightfully obtains from a source other than the Company or a Company Subsidiary, provided that the source of such information is not known by the Parent or any of the Parent Subsidiaries to be bound by a confidentiality obligation to the Company or any Company Subsidiary.

4.6 Operation of Parent Business. Except as contemplated by this Agreement, any other Transaction Document, the Split-Off and/or the Private Placement Offering, during the period from the date of this Agreement to the Effective Time, the Parent shall (and shall cause each of the Parent Subsidiaries to) conduct its respective operations in the Ordinary Course of Business and in material compliance with all laws applicable to the Parent, any Parent Subsidiary or any of their respective properties or assets and, to the extent consistent therewith, use Reasonable Best Efforts to preserve intact its respective current business organization, keep its respective physical assets in good working condition, keep available the services of its respective current officers and employees and preserve its respective relationships with customers, suppliers and others having business dealings with Parent and any Parent Subsidiary to the end that its respective goodwill and ongoing business shall not be impaired in any material respect. Without limiting the generality of the foregoing, prior to the Effective Time, the Parent shall not (and shall cause each of the Parent Subsidiaries not to), without the written consent of the Company (which shall not be unreasonably withheld or delayed):

(a) Issue or sell, or redeem or repurchase, any stock or other securities of the Parent or any Parent Subsidiary, or any rights, warrants or options to acquire any such stock or other securities, except as contemplated by, and in connection with, the Merger, the Split-Off and the Private Placement Offering;

(b) Split, combine or reclassify any shares of the capital stock of Parent or any Parent Subsidiary; declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of the capital stock of Parent or any Parent Subsidiary;

(c) Create, incur or assume any indebtedness, other than in connection with the Agreement, any other Transaction Document, the Split-Off or the Private Placement Offering (including obligations in respect of capital leases); assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other person or entity; or make any loans, advances or capital contributions to, or investments in, any other person or entity;

(d) Enter into, adopt or amend any Parent benefit plan or any employment or severance agreement or arrangement or increase in any manner the compensation or fringe benefits of, or materially modify the employment terms of, its respective directors, officers or employees, generally or individually, or pay any bonus or other benefit to its respective directors, officers or employees;

(e) Acquire, sell, lease, license or dispose of any assets or property (including without limitation any shares or other equity interests in or securities of any Parent Subsidiary or any corporation, partnership, association or other business organization or division thereof), except as contemplated by, and in connection with, the Split-Off;

(f) Mortgage or pledge any of its property or assets or subject any such property or assets to any Security Interest;

(g) Discharge or satisfy any Security Interest or pay any obligation or liability other than in the Ordinary Course of Business;

(h) Amend its respective certificate or articles of incorporation, as applicable, by-laws or other organizational documents (except as contemplated hereby);

(i) Change in any material respect its accounting methods, principles or practices, except insofar as may be required by a generally applicable change in GAAP;

(j) Enter into, amend, terminate, take or omit to take any action that would constitute a violation of or default under, or waive any rights under, any contract or agreement;

(k) Institute or settle any Legal Proceeding;

(l) Take any action or fail to take any action permitted by this Agreement or any other Transaction Document with the knowledge that such action or failure to take action would result in (i) any of the representations and warranties of the Parent, the Split-Off Subsidiary, the Split-Off Purchaser and/or the Acquisition Subsidiary set forth in this Agreement or such other Transaction Document becoming untrue in any material respect or (ii) any of the conditions to the Merger set forth in Article V not being satisfied; or

(m) Agree in writing or otherwise to take any of the foregoing actions.

4.7 Access to Parent Information.

(a) The Parent shall (and shall cause the Acquisition Subsidiary and the Split-Off Subsidiary to) permit representatives of the Company to have full access (at all reasonable times, and in a manner so as not to interfere with the normal business operations of the Parent, the Split-Off Subsidiary and the Acquisition Subsidiary) to all premises, properties, financial and accounting records, contracts, other records and documents, and personnel of or pertaining to the Parent, the Acquisition Subsidiary and the Split-Off Subsidiary.

(b) Each of the Company and any Company Subsidiary (i) shall treat and hold as confidential any Parent Confidential Information (as defined below), (ii) shall not use any of the Parent Confidential Information except in connection with this Agreement, and (iii) if this Agreement is terminated for any reason whatsoever, shall return to the Parent all tangible embodiments (and all copies) thereof which are in its possession. For purposes of this Agreement, "Parent Confidential Information" means any information of the Parent or any Parent Subsidiary that is furnished to the Company or any Company Subsidiary by the Parent or any of the Parent Subsidiaries in connection with this Agreement; provided, however, that it shall not include any information (A) which, at the time of disclosure, is available publicly other than as a result of non-permitted disclosure by the Company, any Company Subsidiary or their respective directors, officers, or employees, (B) which, after disclosure, becomes available publicly through no fault of the Company or any Company Subsidiary or their respective directors, officers, or employees, (C) which the Company or any Company Subsidiary knew or to which the Company or Company Subsidiary had access prior to disclosure, provided that the source of such information is not known by the Company or any Company Subsidiary to be bound by a confidentiality obligation to the Parent or any Parent Subsidiary or (D) which the Company or any Company Subsidiary rightfully obtains from a source other than the Parent or a Parent Subsidiary, provided that the source of such information is not known by the Company or any Company Subsidiary to be bound by a confidentiality obligation to the Parent or any Parent Subsidiary.

4.8 Expenses. The costs and expenses of the Parent and the Company (including legal fees and expenses of the Parent and the Company) incurred in connection with this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby shall be paid by the Party incurring such costs and expenses; provided, that in the event that the Merger and Private Placement Offering are consummated, such costs and expenses shall be payable at Closing from the proceeds of the Private Placement Offering.

4.9 Indemnification. The Parent shall not, and shall cause the Surviving Corporation not to, after the Effective Time, take any action to alter or impair any exculpatory or indemnification provisions now existing in the certificate of incorporation or bylaws of the Company for the benefit of any individual who served as a director or officer of the Company at any time prior to the Effective Time, except for any changes which may be required to conform with changes in applicable Law and any changes which do not affect the application of such provisions to acts or omissions of such individuals prior to the Effective Time.

4.10 Quotation of Parent Common Stock. The Parent shall take whatever steps are necessary to cause the shares of Parent Common Stock to remain eligible for quotation on the OTC Markets.

4.11 Name and Fiscal Year Change. The Parent shall take all necessary steps to enable it to change its corporate name to such name as is agreeable to the Company as of the Effective Time, if the Parent has not already done so prior to the Effective Time. The Parent shall change its fiscal year end to May 31 on or promptly after the Effective Date.

4.12 Split-Off. The Parent shall take, and shall cause the Acquisition Subsidiary and the Split-Off Subsidiary to take, whatever steps are necessary to enable it to effect the Split-Off pursuant to the terms of the Split-Off Agreement immediately prior to the Effective Time.

4.13 Directors and Officers of Parent. At or prior to the Closing, the Board of Directors of Parent shall, take the following action, to be effective upon the Effective Time: (i) increase the size of Parent's Board of Directors from 1 to 3 members, (ii) elect to the Board of Directors of Parent the persons who were directors of the Company immediately prior to the Closing; and (iii) appoint as the officers of Parent those persons who were the officers of the Company immediately prior to the Closing, or, in either case with regard to clauses (ii) and (iii), such other persons designated by the Company. All of the persons serving as directors of Parent immediately prior to the Closing shall resign immediately following the election of the new directors, and all of the persons serving as officers of Parent immediately prior to the Closing shall resign immediately following the appointment of the new officers.

4.14 [RESERVED]

4.15 Information Provided to Stockholders. The Company shall prepare, with the cooperation of the Parent, information to be sent to the holders of shares of Company Stock in connection with receiving their approval of the Merger, this Agreement and related transactions (including, without limitation, a substantially complete draft of the Super 8-K), and the Parent shall prepare, with the cooperation of the Company, information to be sent to the holders of shares of Parent Common Stock and Parent Preferred Stock in connection with receiving their approval of the Merger, this Agreement and related transactions. The Parent and the Company shall each use Reasonable Best Efforts to cause information provided to such party's stockholders to comply with applicable federal and state securities laws requirements. Each of the Parent and the Company agrees to provide promptly to the other such information concerning its business and financial statements and affairs as, in the reasonable judgment of the providing party or its counsel, may be required or appropriate for inclusion in the information sent, or in any amendments or supplements thereto, and to cause its counsel and auditors to cooperate with the other's counsel and auditors in the preparation of the information to be sent to the stockholders of each Party. The Company will promptly advise the Parent, and the Parent will promptly advise the Company, in writing if at any time prior to the Effective Time either the Company or the Parent shall obtain knowledge of any facts that might make it necessary or appropriate to amend or supplement the information provided to such stockholders in order to make the statements contained or incorporated by reference therein not misleading or to comply with applicable Law. The information sent by the Company shall contain the recommendation of the Board of Directors of the Company that the holders of shares of Company Common Stock approve the Merger and this Agreement and the related transactions and the conclusion of the Board of Directors of the Company that the terms and conditions of the Merger are advisable and fair and in the best interests of the Company and such holders. The information sent by the Parent shall contain the recommendation of the Board of Directors of the Parent that the holders of shares of Parent Common Stock approve the Merger and this Agreement and the related transactions and the conclusion of the Board of Directors of the Parent that the terms and conditions of the Merger are advisable and fair and in the best interests of the Parent and such holders. Anything to the contrary contained herein notwithstanding, neither the Company nor the Parent shall include in the information provided to its respective stockholders any information with respect to the other party or its Affiliates or associates, the form and content of which information shall not have been approved by such party in its reasonable discretion prior to such inclusion.

4.16 Cancellation of Share Contribution. The Parent shall cause its transfer agent to cancel the shares of Parent Common Stock and Parent Preferred Stock included in the Share Contribution at the Effective Time.

4.17 Note Offering. In conjunction with the Closing, Parent shall complete the Private Placement Offering.

4.18 Company Financial Statements. The Company shall, within 71 days of Closing, deliver audited financial statements for its two most recently completed fiscal years, prepared in accordance with GAAP prepared by an accounting firm that is a member of the Public Company Accounting Oversight Board.

ARTICLE V
CONDITIONS TO CONSUMMATION OF MERGER

5.1 Conditions to Each Party's Obligations. The respective obligations of each Party to consummate the Merger are subject to the satisfaction of the following conditions:

(a) The Company shall have obtained (and shall have provided copies thereof to the Parent) the written consents of (i) all of the members of its Board of Directors, (ii) a majority of the issued and outstanding shares of Company Common Stock to approve the execution, delivery and performance by the Company of this Agreement and the other Transaction Documentation to which the Company is a party, in form and substance reasonably satisfactory to the Parent;

(b) The Parent, Split-Off Subsidiary and the Split-Off Purchaser shall have executed and delivered the Split-Off Agreement and a General Release Agreement, and all other documents anticipated by such agreements, and the Split-Off shall be effective immediately prior to the Effective Time;

(c) The Split-Off Purchaser shall have surrendered to the Parent the certificates for Parent Common Stock and Parent Preferred Stock representing the Share Contribution, duly endorsed to the Parent or in blank, with Medallion Signature Guaranteed stock powers as applicable;

(d) The Parent shall have delivered to the Split-Off Purchaser certificates representing the Shares (as defined in the Split-Off Agreement) of stock of Split-Off Subsidiary deliverable to the Split-Off Purchaser under the Split-Off Agreement, duly registered in the name of the Split-Off Purchaser or as directed by the Split-Off Purchaser;

(e) The Parent and the Company have completed all necessary legal due diligence to their reasonable satisfaction; and

(f) the closing of the Private Placement Offering shall have occurred, or shall occur simultaneously with the Closing, on the terms and conditions set forth in the Subscription Agreement.

5.2 Conditions to Obligations of the Parent and the Acquisition Subsidiary . The obligation of each of the Parent and the Acquisition Subsidiary to consummate the Merger is subject to the satisfaction (or waiver by the Parent) of the following additional conditions:

(a) The number of Dissenting Shares shall not exceed 10% of the number of outstanding shares of Company Stock as of the Effective Time;

(b) The Company and the Company Subsidiaries shall have obtained (and shall have provided copies thereof to the Parent) all other waivers, permits, consents, approvals or other authorizations, and effected all of the registrations, filings and notices, referred to in Section 4.2 which are required on the part of the Company or any Company Subsidiary, except such waivers, permits, consents, approvals or other authorizations the failure of which to obtain or effect does not, individually or in the aggregate, have a Company Material Adverse Effect or a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement;

(c) The representations and warranties of the Company set forth in this Agreement (when read without regard to any qualification as to materiality or Company Material Adverse Effect contained therein) shall be true and correct as of the date of this Agreement and shall be true and correct as of the Effective Time as though made as of the Effective Time (provided, however, that to the extent such representation and warranty expressly relates to an earlier date, such representation and warranty shall be true and correct as of such earlier date), except for any untrue or incorrect representations and warranties that, individually or in the aggregate, do not have a Company Material Adverse Effect or a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement;

(d) The Company shall have performed or complied with its agreements and covenants required to be performed or complied with under this Agreement as of or prior to the Effective Time, except for such non-performance or non-compliance as does not have a Company Material Adverse Effect or a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement;

(e) No Legal Proceeding shall be pending wherein an unfavorable judgment, order, decree, stipulation or injunction would (i) prevent consummation of any of the transactions contemplated by this Agreement or (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, and no such judgment, order, decree, stipulation or injunction shall be in effect; (f) the Company shall have delivered to the Parent and the Acquisition Subsidiary a copy of each written consent received from a Company Stockholder consenting to the Merger together with a certification from each such Company Stockholder that such person is either an “accredited investor” or not a “U.S. Person” as such terms are defined in Regulation D and Regulation S, respectively, under the Securities Act;

(f) The Company shall have delivered to the Parent and the Acquisition Subsidiary a certificate (the “Company Certificate”) to the effect that each of the conditions specified in clauses (a) and (e) (with respect to the Company’s due diligence of the Parent) of Section 5.1 and clauses (a) through (e) (insofar as clause (e) relates to Legal Proceedings involving the Company or a Company Subsidiary) of this Section 5.2 is satisfied in all respects; and

(g) The Company shall have delivered to the Parent and the Acquisition Subsidiary a certificate, validly executed by the Secretary of the Company, certifying as to (i) true, correct and complete copies of the certificate of incorporation and bylaws of the Company; (ii) the valid adoption of resolutions of the board of directors and stockholders of the Company (whereby this Agreement, the Merger and the transactions contemplated hereunder were unanimously approved by the board of directors and the requisite vote of the stockholders of the Company); (iii) a good standing certificate from the Secretary of State of the State of Delaware dated within five (5) Business Days prior to the Closing Date; and (iv) incumbency and signatures of the officers of the Company executing this Agreement or any other agreement contemplated by this Agreement.

5.3 Conditions to Obligations of the Company. The obligation of the Company to consummate the Merger is subject to the satisfaction of the following additional conditions:

(a) The Parent shall have obtained (and shall have provided copies thereof to the Company) the written consents of (i) all of the members of its Board of Directors, (ii) all of the members of the Board of Directors of Acquisition Subsidiary, (iii) the sole stockholder of Acquisition Subsidiary, (iv) all of the members of the Board of Directors of Split-Off Subsidiary, (v) the sole stockholder of Split-Off Subsidiary, and (vi) holders of more than 50% of the Parent Common Stock outstanding immediately prior to the Effective Time, in each case to the execution, delivery and performance by the each such entity of this Agreement and/or the other Transaction Documentation to which each such entity a party, in form and substance reasonably satisfactory to the Company;

(b) The Parent shall have obtained (and shall have provided copies thereof to the Company) all of the other waivers, permits, consents, approvals or other authorizations, and effected all of the registrations, filings and notices, referred to in Section 4.2 which are required on the part of the Parent or any of the Parent Subsidiaries, except for waivers, permits, consents, approvals or other authorizations the failure of which to obtain or effect does not, individually or in the aggregate, have a Parent Material Adverse Effect or a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement;

(c) The representations and warranties of the Parent set forth in this Agreement (when read without regard to any qualification as to materiality or Parent Material Adverse Effect contained therein) shall be true and correct as of the date of this Agreement and shall be true and correct as of the Effective Time as though made as of the Effective Time (provided, however, that to the extent such representation and warranty expressly relates to an earlier date, such representation and warranty shall be true and correct as of such earlier date), except for any untrue or incorrect representations and warranties that, individually or in the aggregate, do not have a Parent Material Adverse Effect or a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement;

(d) Each of the Parent, the Split-Off Subsidiary and the Acquisition Subsidiary shall have performed or complied with its agreements and covenants required to be performed or complied with under this Agreement as of or prior to the Effective Time, except for such non-performance or non-compliance as does not have a Parent Material Adverse Effect or a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement and the other Transaction Documents;

(e) No Legal Proceeding shall be pending wherein an unfavorable judgment, order, decree, stipulation or injunction would (i) prevent consummation of any of the transactions contemplated by this Agreement and the other Transaction Documents or (ii) cause any of the transactions contemplated by this Agreement and the other Transaction Documents to be rescinded following consummation, and no such judgment, order, decree, stipulation or injunction shall be in effect;

(f) The Parent shall have delivered to the Company a certificate to the effect that each of the conditions specified in clauses (a) and (e) (with respect to the Parent's due diligence of the Company) of Section 5.1 and clauses (a) through (e) (insofar as clause (e) relates to Legal Proceedings involving the Parent, the Split-Off Subsidiary or the Acquisition Subsidiary) of this Section 5.3 is satisfied in all respects;

(g) Each of the Parent and Acquisition Subsidiary shall have delivered to the Company a certificate, validly executed by Secretary of the Parent or the Acquisition Subsidiary, as applicable, certifying as to (i) true, correct and complete copies of its respective articles or certificate of incorporation, as applicable, and bylaws; (ii) the valid adoption of resolutions of the board of directors and stockholders of the Parent or Acquisition Subsidiary, as applicable (whereby this Agreement and the other Transaction Documents, the Merger and the transactions contemplated hereunder and thereunder were unanimously approved by the board of directors and the requisite vote of the stockholders of Parent or the Acquisition Subsidiary, as applicable); (iii) a good standing certificate from the Secretary of State of each of the State of Nevada and the State of Delaware, as applicable, dated within five (5) Business Days prior to the Closing Date; and (iv) incumbency and signatures of the officers of the Parent or the Acquisition Subsidiary, as applicable, executing this Agreement or any other agreement contemplated by this Agreement;

(h) The Split-Off Subsidiary shall have delivered to the Company a certificate, certifying as to (i) true, correct and complete copies of its articles of incorporation and bylaws; (ii) the valid adoption of resolutions of the board of directors and stockholders of the Split-Off Subsidiary (whereby the Split-Off Agreement and the transactions contemplated thereunder were unanimously approved by the board of directors and the requisite vote of the stockholders of the Split-Off Subsidiary); (iii) a good standing certificate from the Secretary of State of the State of Nevada dated within five (5) Business Days prior to the Closing Date; and (iv) incumbency and signatures of the officers of the Split-Off Subsidiary executing the Split-Off Agreement and any ancillary agreements to which the Split-Off Subsidiary is a party;

(i) The Company shall have received an official stockholder list from Parent's transfer agent and registrar showing that as of immediately prior to the Effective Time there are 172,075,000 shares of Parent Common Stock and 1,000,000 shares of Parent Preferred Stock issued and outstanding (without giving effect to the cancellation of 45,606,489 shares of Parent Common Stock and 1,000,000 shares of Parent Preferred Stock in connection with the Share Contribution under the Split-Off Agreement); and

(j) The Parent shall have delivered to the Company (i) evidence that the Parent's Board of Directors is authorized to consist of Paul Tidwell, (ii) evidence of the resignations of all individuals who served as directors and/or officers of the Parent immediately prior to the Effective Time, which resignations shall be effective as of the Effective Time, (iii) evidence of the appointment of Sunandan Ray, Patrick Lee and David Briones to serve as directors of the Parent immediately following the Effective Time and (iv) evidence of the appointment of such executive officers of the Parent to serve immediately following the Effective Time as shall have been designated by the Company, including Sunandan Ray, as Chief Executive Officer.

ARTICLE VI
DEFINITIONS

For purposes of this Agreement, each of the following defined terms is defined in the Section of this Agreement indicated below.

Defined Term	**Section**
Accredited Investor	1.5(a)
Acquisition Subsidiary	Introduction
Affiliate	2.4(d)
Agreement	Introduction
Anti-Corruption Laws	2.21
Applicable Conversion Ratio	1.5(a)
Business Day	1.2
Certificate of Merger	1.1
Closing	1.2
Closing Date	1.2
Code	Recitals
Company	Introduction
Company Certificate	5.2(f)
Company Common Stock	1.5(a)
Company Confidential Information	4.5(b)
Company Consents	2.3
Company Disclosure Schedule	Article II
Company Equity Plans	2.2
Company Intellectual Property	2.2
Company Material Adverse Effect	2.1
Company Common Stock	1.5(a)
Company Preferred Stock	2.2
Company Relevant Persons	2.21
Company Stock	1.5(a)
Company Stockholders	1.5(a)
Company Stock Certificates	1.5(b)
Company Subsidiary	2.1
Contemplated Transactions	7.3
Customs & International Trade Laws	2.21
Defaulting Party	7.6
Delaware Act	1.1
Dissenting Shares	1.6(a)
DOC	2.21
Effective Time	1.1
Employee Benefit Plan	3.23
Environmental Law	2.22(a)
ERISA	2.21(a)(ii)
ERISA Affiliates	2.21(a)(iii)
Exchange Act	1.12(b)
GAAP	2.1
General Release Agreement	Recitals
Governmental Entity	2.5
Indemnified Executives	4.9(b)
Indemnifying Stockholders	6.1
Intellectual Property	2.2
Legal Proceeding	2.6
Merger	Recitals
Merger Shares	1.5(a)
Non-Defaulting Party	7.6
Notes	Recitals
OFAC	2.21

OTC Markets	3.2
Other Relevant Persons	2.21
Parent	Introduction
Parent Auditor	3.33
Parent Common Stock	1.3(e)
Parent Confidential Information	4.7(b)
Parent Disclosure Schedule	Article III
Parent Financial Statements	3.8
Parent Intellectual Property	3.38(b)
Parent Material Adverse Effect	3.1
Parent Permits	3.25
Parent Preferred Stock	1.3(e)
Parent Relevant Persons	3.39(a)
Parent Reports	3.6
Parent Subsidiaries	2.5(a)
Party	Introduction
Private Placement Offering	Recitals
Reasonable Best Efforts	4.1
Sanctioned Country	2.21
Sanctioned Persons	2.21
SEC	1.13(a)
Securities Act	1.5(a)
Security Interest	2.2
Series A Preferred Stock	1.5(a)
Series B Preferred Stock	1.5(a)
Share Contribution	1.3(e)
Split-Off	Recitals
Split-Off Agreement	Recitals
Split-Off Purchaser	Introduction
Split-Off Subsidiary	Recitals
Subscription Agreement	Recitals
Super 8-K	4.3
Surviving Corporation	1.1
Takeover Law	2.2
Tax Returns	3.12
Transaction Documentation	3.3

ARTICLE VII
TERMINATION

7.1 Termination by Mutual Agreement. This Agreement may be terminated at any time by mutual consent of the Parties, provided that such consent to terminate is in writing and is signed by each of the Parties.

7.2 Termination for Failure to Close. This Agreement may be terminated, by any Party, if the Closing Date shall not have occurred by October 31, 2020; provided, that the right to terminate this Agreement pursuant to this Section 7.2 shall not be available to any Party whose breach of any provision of this Agreement results in the failure of the Closing to have occurred by such time.

7.3 Termination by Operation of Law. This Agreement may be terminated by any Party hereto if there shall be any statute, rule or regulation issued by a Governmental Entity of competent jurisdiction that renders consummation of the transactions contemplated by this Agreement and the other Transaction Documents (the "Contemplated Transactions") illegal or otherwise prohibited, or a court of competent jurisdiction or any Governmental Entity of competent jurisdiction shall have issued an order, decree or ruling, or has taken any other action restraining, enjoining or otherwise prohibiting the consummation of such transactions and such order, decree, ruling or other action shall have become final and non-appealable.

7.4 Termination for Failure to Perform Covenants or Conditions. This Agreement may be terminated prior to the Effective Time:

(a) By the Parent and the Acquisition Subsidiary if: (i) any of the conditions set forth in Section 5.2 hereof have not been fulfilled in all material respects by the Closing Date or otherwise waived by the Parent; (ii) the Company shall have breached or failed to observe or perform in any material respect any of its covenants or obligations under this Agreement if such breach is not cured within ten (10) days of written notice of such breach from Parent (to the extent such breach is curable) or (iii) as otherwise set forth herein; provided that Parent and Acquisition Subsidiary may not exercise the right in this Section 7.4(a) if either of them are then in breach of any provision of this Agreement; or

(b) By the Company if: (i) any of the conditions set forth in Section 5.3 hereof have not been fulfilled in all material respects by the Closing Date or otherwise waived by the Company; (ii) the Parent or the Acquisition Subsidiary shall have breached or failed to observe or perform in any material respect any of its covenants or obligations under this Agreement if such breach is not cured within ten (10) days of written notice of such breach from the Company (to the extent such breach is curable) or (iii) as otherwise set forth herein; provided that Company may not exercise the right in this Section 7.4(b) if it is then in breach of any provision of this Agreement;.

7.5 Effect of Termination or Default; Remedies. In the event of termination of this Agreement as set forth above, this Agreement shall forthwith become void and there shall be no liability on the part of any Party hereto to any other Party, after the date of such **termination**, provided that such Party is a Non-Defaulting Party (as defined below). The foregoing shall not relieve any Party from liability for damages actually incurred as a result of such Party's breach of any term or provision of this Agreement.

7.6 Remedies; Specific Performance. In the event that any Party shall fail or refuse to consummate the Contemplated Transactions or if any default under or breach of any representation, warranty, covenant or condition of this Agreement on the part of any Party (the "Defaulting Party") shall have occurred that results in the failure to consummate the Contemplated Transactions, then in addition to the other remedies provided herein, the non-defaulting Party (the "Non-Defaulting Party") shall be entitled to seek and obtain money damages from the Defaulting Party, or may seek to obtain an order of specific performance thereof against the Defaulting Party from a court of competent jurisdiction, provided that the Non-Defaulting Party seeking such protection must file its request with such court within forty-five (45) days after it becomes aware of the Defaulting Party's failure, refusal, default or breach. In addition, the Non-Defaulting Party shall be entitled to obtain from the Defaulting Party court costs and reasonable attorneys' fees incurred in connection with or in pursuit of enforcing the rights and remedies provided hereunder.

ARTICLE VIII
MISCELLANEOUS

8.1 Press Releases and Announcements. No Party shall issue any press release or public announcement relating to the subject matter of this Agreement without the prior written approval of all of the other Parties; provided, however, that any Party may make any public disclosure it believes in good faith is required by applicable Law (in which case the disclosing Party shall use Reasonable Best Efforts to advise the other Parties and provide them with a copy of the proposed disclosure prior to making the disclosure).

8.2 No Third-Party Beneficiaries. Except for the Purchasers under the Subscription Agreement, this Agreement shall not confer any rights or remedies upon any person other than the Parties and their respective successors and permitted assigns; provided, however, that the provisions in Article I concerning issuance of the Merger Shares is intended for the benefit of the Company Stockholders.

8.3 Entire Agreement. This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior or (other than as set forth in the Transaction Documentation) contemporaneous understandings, agreements or representations by or among the Parties, written or oral, with respect to the subject matter hereof.

8.4 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other Parties.

8.5 Counterparts and Facsimile Signature. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Facsimile or electronic signatures delivered by fax and/or e-mail/.pdf transmission shall be sufficient and binding as if they were originals and such delivery shall constitute valid delivery of this Agreement.

8.6 Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

8.7 Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly delivered four Business Days after it is sent by registered or certified mail, return receipt requested, postage prepaid, or one Business Day after it is sent for next Business Day delivery via a reputable nationwide overnight courier service, in each case to the intended recipient as set forth below:

If to the Company or the Company Stockholders:
Unique Logistics Holdings, Inc.
154-09 146th Avenue, 3-B
Jamaica, NY 11434
Attn: Sunandan Ray, CEO
Facsimile:
Email:

Copy to
(which copy shall not constitute notice hereunder):
Lucosky Brookman LLP
101 Wood Avenue South
Woodbridge, NJ 08830
Attn: Lawrence Metelitsa
Facsimile: (732) 395-4401
Email: lmetelitsa@lucbro.com

If to the Parent or the Acquisition Subsidiary
(prior to the Closing):
Innocap, Inc.
112 N. Walnut Street
P.O. Box 489
Jefferson, TX 75657
Attn: Paul Tidwell, CEO
Facsimile:

Copy to
(which copy shall not constitute notice hereunder):
Frank J. Hariton Esq
1065 Dobbs Ferry Road
White Plains, NY 10607

Attn: Frank J. Hariton
Facsimile: (914) 6934-2963
Email: hariton@sprynet.com

Any Party may give any notice, request, demand, claim or other communication hereunder using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail or electronic mail), but no such notice, request, demand, claim or other communication shall be deemed to have been duly given unless and until it actually is received by the Party for whom it is intended. Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

8.8 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of laws of any jurisdictions other than those of the State of New York.

8.9 Amendments and Waivers. The Parties may mutually amend any provision of this Agreement at any time prior to the Effective Time. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by all of the Parties. No waiver of any right or remedy hereunder shall be valid unless the same shall be in writing and signed by the Party giving such waiver. No waiver by any Party with respect to any default, misrepresentation or breach of warranty or covenant hereunder shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

8.10 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to limit the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified.

8.11 Submission to Jurisdiction. Each of the Parties irrevocably consents to the exclusive jurisdiction and venue of New York and any state appellate court therefrom within the State of New York in connection with any matter based upon or arising out of this Agreement or the matters contemplated herein, agrees that process may be served upon them in any manner authorized by the laws of the State of New York for such Parties and irrevocably waives, to the fullest extent permitted by applicable Law, and covenants not to assert or plead any objection it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Any Party may make service on another Party by sending or delivering a copy of the process to the Party to be served at the address and in the manner provided for the giving of notices in Section 8.7. Nothing in this Section 8.11, however, shall affect the right of any Party to serve legal process in any other manner permitted by Law.

8.12 WAIVER OF JURY TRIAL. EACH OF THE PARTIES IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BETWEEN THE PARTIES ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

8.13 Survival. Except with respect to the Article III, none of the representations or warranties in this Agreement or in any certificate delivered pursuant to this Agreement shall survive the Effective Time.

8.14 Construction.

(a) The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

(b) Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement and Plan of Merger and Reorganization as of the date first above written.

PARENT:
INNOCAP, INC.
By: _____
Name: Paul Tidwell
Title: CEO

SPLIT-OFF SUBSIDIARY:
INNOCAP HOLDINGS, INC.
By: _____
Name: Paul Tidwell
Title: CEO

ACQUISITION SUBSIDIARY:
UNIQUE ACQUISITION CORP.
By: _____
Name: Paul Tidwell
Title: CEO

COMPANY:
UNIQUE LOGISTICS HOLDINGS, INC.
By: _____
Name: Sunandan Ray
Title: CEO

SPLIT-OFF PURCHASER:

_____
Paul Tidwell

[Signature Page to Merger Agreement]

Exhibit A

Form of Subscription Agreement

Exhibit B

Form of Split-Off Agreement

Exhibit C

Form of General Release Agreement

Schedule 1.5(a)

Class of Company Stock	Series A Preferred Stock and Series B Preferred Stock Applicable Conversion Ratio
Common	6,546.47 to 1

Company Disclosure Schedules

2.2
Pre-Closing Capitalization Of Unique Logistics Holdings, Inc.

Member	Number of Shares Of CommonStock Held	% of all outstanding and issued and outstanding of Buyer (fully Diluted)
Sunandan Ray 320 Southdown Road Lloyd Harbor, NY 11743	7,200,000	72%
Great Eagle Freight Limited Unit 05-06, 3/F, Tower2, Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Hong Kong	1,500,000	15%
Front Four Management, LLC 188 Ivy Hill Crescent Rye Brook, NY 10573	500,000	5%
Lucosky Brookman LLP 101 Wood Avenue South, Woodbridge, NJ 08830	300,000	3%
Southridge LLC 850 Third Avenue, New York, NY 10022	300,000	3%
David Briones 217 W. Main St, Somerville, NJ 08876	200,000	2%

Post-Closing Capitalization Of INNOCAP, INC.

Shareholders of Innocap, Inc.
Common Stock

Existing Share Holders	133,601,511	2%

Shareholders of Innocap, Inc.
Series A Preferred (converts at 6,546.47 for 1)

Front Four Management, LLC 188 Ivy Hill Crescent Rye Brook, NY 10573	50,000	4.9%
Lucosky Brookman LLP 101 Wood Avenue South, Woodbridge, NJ 08830	30,000	2.94%
Southridge LLC 850 Third Avenue, New York, NY 10022	30,000	2.94%
David Briones 217 W. Main St, Somerville, NJ 08876	20,000	1.96%

Shareholders of Innocap, Inc.
Series B Preferred (converts at 6,546.47 for 1)

Member	Number of Shares Of Series A Preferred	% of all outstanding and issued and outstanding of Buyer (fully Diluted)
Sunandan Ray 320 Southdown Road Lloyd Harbor, NY 11743	716,938	70.25%
Great Eagle Freight Limited Unit 05-06, 3/F, Tower2, Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Hong Kong	153,062	15%

On May 29, 2020 (the "Buyout Transaction Date"), Unique Logistics Holdings, entered into that certain Securities Purchase Agreement ("ULHK Purchase Agreement") by and between Unique Logistics Holdings and UL HK, pursuant to which the Company purchased from UL HK (i) sixty percent (60%) of the membership interests of ("UL ATL Membership Interests") of Unique Logistics International (ATL) LLC, a Georgia limited liability company ("UL ATL"); (ii) eighty percent (80%) of the common stock of Unique Logistics International (BOS) Inc, a Massachusetts corporation ("UL BOS"); and (iii) sixty-five percent (65%) of the Unique Logistics International (USA) Inc., a New York corporation, for a purchase price of: (i) US$6,000,000, to be paid in accordance with the following (a) $1,000,000 in cash (the "UL HK Cash Purchase Price"); (b) $5,000,000 in the form a subordinated promissory note issued in favor of UL HK (the "UL HK Note") and (c) 1,500,000 shares of common stock of Unique Logistics Holdings, representing on issuance 15% of fully paid and non-assessable shares of common stock then outstanding on a fully diluted basis (the "UL HK Stock Purchase Price").

The UL HK Note is subject to a claw back of up to an additional 34% of Unique Logistics Holdings, Inc. shares of common stock upon an event of default.

See Note attached as Exhibit 2.2

2.3
Authorization of Transaction

N/A

2.6
Litigation

None

2.9
Owned Real Property

None

2.10
Real Property Leases

LOCATION CITY, STATE	LEASE EXPIRATION	MONTHLY RENT	SQUARE FEET	FUNCTION
JAMAICA, NY	4/30/2024	$4,813.75	2,219	OFFICE
JAMAICA, NY	7/15/2022	$4,000.00	1,440	WAREHOUSE
ATLANTA, GA	10/31/2028	$13,227.67	5,669	OFFICE
CHELSEA, MA	9/30/2022	$900.00	600	OFFICE
MIDDLETON, MA	7/31/2025	$10,620.75	5,202	OFFICE
SANTA FE SPRINGS, CA	10/15/2022	$108,410.96	110,791	WAREHOUSE/ OFFICE
ITASCA, IL	2/28/2021	$2,002.32	1,028	OFFICE
ROANOKE, VA	6/1/2020	$595.57	685	OFFICE
CHARLOTTE, NC	6/30/2025	$3,896.06	1,889	OFFICE

2.14
Brokers Fees

None

DISCLOSURE SCHEDULES OF PARENT,
THE SPLIT-OFF SUBSIDIARY, THE SPLIT-OFF PURCHASER AND THE ACQUISITION SUBSIDIARY

3.2

Options, Warrants, Rights or Convertible Securities

None

Post-Closing Capitalization Of INNOCAP, INC.
Shareholders of Innocap, Inc.
Common Stock

Existing Share Holders	133,601,511	2%

Shareholders of Innocap, Inc.
Series A Preferred (converts at 6,546.47 for 1)

Front Four Management, LLC 188 Ivy Hill Crescent Rye Brook, NY 10573	50,000	4.9%
Lucosky Brookman LLP 101 Wood Avenue South, Woodbridge, NJ 08830	30,000	2.94%
Southridge LLC 850 Third Avenue, New York, NY 10022	30,000	2.94%
David Briones 217 W. Main St, Somerville, NJ 08876	20,000	1.96%

Shareholders of Innocap, Inc.
Series B Preferred (converts at 6,546.47 for 1)

Member	Number of Shares Of Series A Preferred	% of all outstanding and issued and outstanding of Buyer (fully Diluted)
Sunandan Ray 320 Southdown Road Lloyd Harbor, NY 11743	716,938	70.25%
Great Eagle Freight Limited Unit 05-06, 3/F, Tower2, Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Hong Kong	153,062	15%

3.9
Absence of Certain Changes

None

3.16
Contracts

None

3.19
Insurance

None

3.21
Litigation

None

3.24(b)
Environmental Matters

None

3.25
Permits

None

3.26
Certain Business Relationships

None

3.28
Retained Liabilities

Audit Fees :$15,013
Transfer Agent Fees: $3,580

Continuing Operations
None

3.29
Broker's Fees

None

3.38
Intellectual Property

None

CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS OF SERIES A CONVERTIBLE PREFERRED STOCK OF INNOCAP, INC

Innocap, Inc., a corporation organized and existing under the laws of the State of Nevada (the "Company"), hereby certifies that the following resolution was adopted by the Board of Directors of the Company (the "Board") on [●], in accordance with the provisions of its Articles of Incorporation (as amended, the "Articles of Incorporation") and bylaws. The authorized series of the Company's preferred stock shall have the following preferences, privileges, powers and restrictions thereof, as follows:

RESOLVED, that pursuant to the authority granted to and vested in the Board in accordance with the provisions of the Articles of Incorporation and bylaws of the Company, the Board hereby authorizes a series of the Company's preferred stock (the "Preferred Stock"), and hereby states the designation and number of shares, and fixes the relative rights, preferences, privileges, powers and restrictions thereof as follows:

I. NAME OF THE COMPANY

Innocap, Inc.

II. DESIGNATION AND AMOUNT; DIVIDENDS

A. Designation. The designation of said series of preferred stock shall be Series A Convertible Preferred Stock, $0.001 par value per share (the "Series A Preferred").

B. Number of Shares. The number of shares of Series A Preferred authorized shall be 130,000 shares. Each share of Series A Preferred shall have a stated value equal to $0.001 (the "Stated Value").

C. Dividends. Dividends shall not be payable on the Series A Preferred.

III. LIQUIDATION PREFERENCE

Subject to the rights of holders of shares of the Company's Series B Convertible Preferred Stock, $0.001 par value per share (the "Series B Preferred"),which shares will be pari passu with the Series A Preferred in terms of liquidation preference, in the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of record of shares of Series A Preferred shall be entitled to receive, at their option, immediately prior and in preference to any distribution to the holders of the Company's common stock, $0.001 par value per share (the "Common Stock") and other junior securities, a liquidation preference equal to the Stated Value per share. If upon the occurrence of such event the assets and funds thus distributable among the holders of the Series A Preferred shall be insufficient to permit the payment to such holders of the full preferential amounts due to the Holders of the Series A Preferred, then the entire assets and funds of the Company legally available for distribution to holders of Series A Preferred shall be distributed among the holders of the Series A Preferred, pro rata, based on the liquidation amounts to which such holders are entitled.

Upon the completion of the distribution required by this section and the distribution to be made to holders of Series B Preferred, if assets remain in the Company, they shall be distributed to holders of junior securities, including Common Stock in accordance with the Company's Articles of Incorporation and bylaws, as amended and Nevada law. At all times that shares of Series A Preferred and Series B Preferred remain outstanding, the Company shall not without the prior written consent of persons owning a majority of the shares of each of the Series A Preferred and Series B Preferred, issue any shares of Preferred Stock ranking senior to or on parity with the Series A Preferred and Series B Preferred.

A consolidation or merger of the Company with or into any other corporation or corporations, or a sale, conveyance or distribution of all or substantially all of the assets of the Company shall be deemed to be a liquidation, dissolution or winding up within the meaning of this section if the shares of stock of the Company outstanding immediately prior to such transaction represent immediately after such transaction less than a majority of the voting power of the surviving corporation (or the acquirer of the Company's assets in the case of a sale of assets).

IV. CONVERSION

(i) Optional Conversion. Subject to the terms and conditions herein, each Holder of shares of Series A Preferred Stock shall have the right to convert all or any portion of such Holder's Series A Preferred Stock into fully paid and non-assessable shares of Common Stock at any time or from time to time at such Holder's sole discretion (the " Conversion Right"). Each share of Series A Preferred Stock as to which the Conversion Right is exercised shall be converted into 6,546.47 shares of the Company's authorized but unissued shares of Common Stock, the ("Conversion Shares"). Upon any such optional conversion and the issuance of Conversion Shares further thereto, the shares of Series A Preferred Stock shall be deemed cancelled and of no further force or effect. The Conversion Right of a Holder of Series A Preferred Stock shall be exercised by the Holder by delivering written notice to the Company that the Holder elects to convert all or a portion of the shares of Series A Preferred Stock held by such Holder (a " Conversion Notice"), which notice shall state (i) the number of shares of Series A Preferred Stock that are being redeemed by such Holder and (ii) specify the name or names (with address or addresses) in which shares of Common Stock are to be issued.

(ii) The conversion of any share of Series A Preferred Stock shall be deemed to have been made in connection with any exercise of the Conversion Right at the close of business on the date the Conversion Notice is deemed given (the "Conversion Date"). Until the Conversion Date with respect to any share of Series A Preferred Stock has occurred, such share of Series A Preferred Stock will remain outstanding and will be entitled to all of the powers, designations, preferences and other rights provided herein, including entitle the Holder thereof to the voting rights provided in Section V herein. Effective as of the Conversion Date, the rights of the Holder of such shares of Series A Preferred Stock as a holder thereof will cease and from and after such time the Holder entitled to receive the Common Stock issuable upon such conversion will be treated for all purposes as the record holder of such Common Stock.

(iii) As promptly as practicable on or after the Conversion Date, the Company will update or cause to be updated the Company's stock register to reflect the shares of Common Stock held by such Holder as a result of the Conversion and issue and deliver, or cause to be issued and delivered evidence of such issuance reasonably satisfactory to such Holder. Each Holder agrees to surrender at the office of the Company the certificate(s) in respect of the Series A Preferred Stock so converted, duly endorsed or assigned to the Company or in blank, as applicable.

(b) Conversion Adjustments

(i) Adjustments for Reclassification, Exchange and Substitution. Subject to Section III above, if the Common Stock issuable upon conversion of Series A Preferred shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for above), then, in any such event, in lieu of the number of shares of Common Stock which the holders would otherwise have been entitled to receive, each holder of Series A Preferred Stock shall have the right thereafter to convert such shares of Series A Preferred Stock into a number of shares of such other class or classes of stock which a holder of the number of shares of Common Stock deliverable upon conversion of the Series A Preferred Stock immediately before that change would have been entitled to receive in such reorganization or reclassification, all subject to further adjustment as provided herein with respect to such other shares.

(ii) Other Distributions. In the event the Company shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by this Company or other persons, assets (excluding cash dividends) or options or rights as applicable, then, in each such case for the purpose of this Section IV, the holders of the Series A Preferred shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock into which their shares of Series A Preferred are convertible as of the record date fixed for the determination of the holders of Common Stock entitled to receive such distribution.

(iii) Adjustment upon issuance of shares of Common Stock. If and whenever on or after the date on which the Holder received shares of Series A Preferred Stock ("Issuance Date") through the twelve month anniversary date of the Issuance Date (the "Anti-Dilution Termination Date"), the Company issues or sells, or in accordance with the terms herein is deemed to have issued or sold, any shares of Common Stock or Common Stock Equivalents (a "**Dilutive Issuance**"), the number of Conversion Shares issuable upon conversion will be adjusted to entitle the holder to acquire such number of shares of Common Stock (the "Adjustment Shares") necessary to maintain the Holders Fully-Diluted Ownership Percentage percentage at the time of the Issuance Date. "Fully-Diluted Ownership Percentage" shall mean the percentage ownership calculated by dividing (i) the aggregate number of Conversion Shares as of the Issuance Date by (ii) the aggregate number of all issued and outstanding shares of Common Stock or Common Stock Equivalents of the Company (including any shares of Common Stock or Common Stock Equivalents which are issuable upon exercise or conversion of options, warrants or other securities or rights within 60 days of the date on which such calculation is being made). If the Series A Preferred Stock has not been converted prior to or on the Anti-Dilution Termination Date, the Holder of such Series A Preferred Stock will, upon conversion, be entitled to the Conversion Shares and any Adjustment Shares as of the Anti-Dilution Termination Date and will not be subject to any further adjustment. "Common Stock Equivalents" shall mean any securities of the Company or a Company subsidiary which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

(iv) Notice of Adjustment. Upon any adjustment provided for under this section IV(b), the Company shall give written notice thereof, which notice shall state the Conversion Shares resulting from such adjustment, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

(v) Reservation of Shares. The Company shall at all times reserve and keep available, out of its authorized but unissued shares of Common Stock or out of shares of Common Stock held in its treasury, solely for the purpose of effecting the conversion of the shares of the Series A Preferred, the full number of shares of Common Stock deliverable upon the conversion of all shares of the Series A Preferred from time to time outstanding. The Company shall from time to time in accordance with Nevada law take all steps necessary to increase the authorized amount of its Common Stock if at any time the authorized number of shares of Common Stock remaining unissued shall not be sufficient to permit the conversion of all of the shares of the Series A Preferred. Notwithstanding the foregoing, in the event there are insufficient number of shares of Common Stock to effect a conversion under the terms hereunder, the Holder shall not be permitted to convert into shares of Common Stock of the Company that have not yet been authorized.

(vi) Fractional Shares. No fractional shares or scrip representing fractional shares of Common Stock shall be issued upon the conversion of the Series A Preferred Stock. Fractional shares will be rounded to the next highest whole number.

V. VOTING RIGHTS

The holders of our Series A Preferred will vote together with the holders of the Company's Common Stock on an as converted basis on each matter submitted to a vote of holders of Common Stock.

In addition, the affirmative vote of the holders of a majority of the Company's outstanding Series A Preferred is required to (i) amend the Company's Articles of Incorporation or bylaws in a way that would be adverse to the holders of the Company's Series A Preferred, (ii) redeem or repurchase any capital stock of the Company , (iii) declare or pay dividends on any class of capital stock of the Company, or (iv) issue any securities in parity with (other than shares of Series B Preferred) or senior to the rights of the Series A Preferred with respect to distributions of assets upon liquidation, dissolution or winding up of the Company.

VI. LIMITATIONS ON CONVERSION.

The Company shall not effect the conversion of shares of Series A Preferred Stock, and a holder of Series A Preferred Stock shall not have the right to convert any such shares, to the extent that after giving effect to such conversion, such an individual, a corporation, a limited liability company, a partnership, an association, a trust or any other entity ("Person" together with such Person's affiliates) would beneficially own in excess of 4.99% (the "Beneficial Ownership Limitation") of the shares of Common Stock outstanding immediately after giving effect to such conversion. For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by such Person and its affiliates shall include the number of shares of Common Stock issuable upon conversion of shares of Series A Preferred Stock held by such Person and its affiliates with respect to which the determination of such sentence is being made, but shall exclude shares of Common Stock which would be issuable upon (i) conversion of the remaining, unexercised shares of Series A Preferred Stock beneficially owned by such Person and its affiliates and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by such Person and its affiliates (including, without limitation, any convertible notes or convertible preferred stock or warrants) subject to a limitation on conversion or exercise analogous to the limitation contained herein. Except as set forth in the preceding sentence, for purposes of this paragraph, beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act. The number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including shares of Series A Preferred Stock, by a holder thereof and its affiliates since the date as of which such number of outstanding shares of Common Stock was reported. By written notice to the Company, a holder of Series A Preferred Stock may from time to time increase or decrease the Beneficial Ownership Limitation to any other percentage specified in such notice; provided that (i) any such increase will not be effective until the sixty-first (61st) day after such notice is delivered to the Company, and (ii) any such increase or decrease will apply only to such holder. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section IV to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation.

VII. REDEMPTION

The Series A Preferred is not redeemable.

VIII. REISSUANCE

No shares of Series A Preferred Stock which have been converted to Common Stock shall be reissued by the Company; provided, however, that any such share, upon being converted and canceled, shall be restored to the status of an authorized but unissued share of Preferred Stock without designation as to series, rights or preferences and may thereafter be issued as a share of Preferred Stock not designated as Series A Preferred Stock.

IX. NO IMPAIRMENT

The Company will not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, 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 to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Certificate of Designation and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the holders of the Series A Preferred Stock against impairment.

X. MISCELLANEOUS

a. Lost or Stolen Certificates. Upon receipt by the Company of (i) evidence of the loss, theft, destruction or mutilation of any certificates for any Series A Preferred and (ii) in the case of loss, theft or destruction, indemnity (with a bond or other security) reasonably satisfactory to the Company, or in the case of mutilation, the certificate for Series A Preferred (surrendered for cancellation), the Company shall execute and deliver new certificates for Series A Preferred .

b. Waiver. Notwithstanding any provision in this Certificate of Designation to the contrary, any provision contained herein and any right of the holders of Series A Preferred granted hereunder may be waived as to all shares of Series A Preferred (and the holders thereof) upon the unanimous written consent of the holders of the Series A Preferred.

c. Notices. Any notices required or permitted to be given under the terms hereof shall be sent by certified or registered mail (return receipt requested) or delivered personally, by nationally recognized overnight carrier or by confirmed facsimile or email transmission, and shall be effective five (5) days after being placed in the mail, if mailed, or upon receipt or refusal of receipt, if delivered personally or by nationally recognized overnight carrier or confirmed facsimile transmission, in each case addressed to a party as set forth below, or such other address and telephone and fax number as may be designated in writing hereafter in the same manner as set forth in this Section.

If to the Company:
Innocap, Inc.

Attn:

If to the holders of Series A Preferred, to the address listed in the Company's books and records.

IN WITNESS WHEREOF, the undersigned has signed this certificate as of the [●] day of [●], 2020.

INNOCAP, INC.

By: _____
Name:
Title:

CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS OF SERIES B CONVERTIBLE PREFERRED STOCK OF INNOCAP, INC

Innocap, Inc., a corporation organized and existing under the laws of the State of Nevada (the "Company"), hereby certifies that the following resolution was adopted by the Board of Directors of the Company (the "Board") on [●], in accordance with the provisions of its Articles of Incorporation (as amended, the "Articles of Incorporation") and bylaws. The authorized series of the Company's preferred stock shall have the following preferences, privileges, powers and restrictions thereof, as follows:

RESOLVED, that pursuant to the authority granted to and vested in the Board in accordance with the provisions of the Articles of Incorporation and bylaws of the Company, the Board hereby authorizes a series of the Company's preferred stock (the "Preferred Stock"), and hereby states the designation and number of shares, and fixes the relative rights, preferences, privileges, powers and restrictions thereof as follows:

I. NAME OF THE COMPANY

Innocap, Inc.

II. DESIGNATION AND AMOUNT; DIVIDENDS

A. Designation. The designation of said series of preferred stock shall be Series B Convertible Preferred Stock, $0.001 par value per share (the "Series B Preferred").

B. Number of Shares. The number of shares of Series B Preferred authorized shall be 870,000 shares. Each share of Series B Preferred shall have a stated value equal to $0.001 (the "Stated Value").

C. Dividends. Dividends shall not be payable on the Series B Preferred.

III. LIQUIDATION PREFERENCE

Subject to the rights of holders of shares of the Company's Series A Convertible Preferred Stock, $0.001 par value per share (the "Series A Preferred"),which shares will be pari passu with the Series A Preferred in terms of liquidation preference, in the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of record of shares of Series A Preferred shall be entitled to receive, at their option, immediately prior and in preference to any distribution to the holders of the Company's common stock, $0.001 par value per share (the "Common Stock") and other junior securities, a liquidation preference equal to the Stated Value per share. If upon the occurrence of such event the assets and funds thus distributable among the holders of the Series B Preferred shall be insufficient to permit the payment to such holders of the full preferential amounts due to the Holders of the Series B Preferred, then the entire assets and funds of the Company legally available for distribution to holders of Series B Preferred shall be distributed among the holders of the Series B Preferred, pro rata, based on the liquidation amounts to which such holders are entitled.

Upon the completion of the distribution required by this section and the distribution to be made to holders of Series A Preferred, if assets remain in the Company, they shall be distributed to holders of junior securities, including Common Stock in accordance with the Company's Articles of Incorporation and bylaws, as amended and Nevada law. At all times that shares of Series A Preferred and Series B Preferred remain outstanding, the Company shall not without the prior written consent of persons owning a majority of the shares of each of the Series A Preferred and Series B Preferred, issue any shares of Preferred Stock ranking senior to or on parity with the Series A Preferred and Series B Preferred.

A consolidation or merger of the Company with or into any other corporation or corporations, or a sale, conveyance or distribution of all or substantially all of the assets of the Company shall be deemed to be a liquidation, dissolution or winding up within the meaning of this section if the shares of stock of the Company outstanding immediately prior to such transaction represent immediately after such transaction less than a majority of the voting power of the surviving corporation (or the acquirer of the Company's assets in the case of a sale of assets).

IV. CONVERSION

(i) Optional Conversion. Subject to the terms and conditions herein, each Holder of shares of Series B Preferred Stock shall have the right to convert all or any portion of such Holder's Series A Preferred Stock into fully paid and non-assessable shares of Common Stock at any time or from time to time at such Holder's sole discretion (the "Conversion Right"). Each share of Series B Preferred Stock as to which the Conversion Right is exercised shall be converted into 6,546.47 shares of the Company's authorized but unissued shares of Common Stock, the ("Conversion Shares"). Upon any such optional conversion and the issuance of Conversion Shares further thereto, the shares of Series B Preferred Stock shall be deemed cancelled and of no further force or effect. The Conversion Right of a Holder of Series B Preferred Stock shall be exercised by the Holder by delivering written notice to the Company that the Holder elects to convert all or a portion of the shares of Series B Preferred Stock held by such Holder (a " Conversion Notice"), which notice shall state (i) the number of shares of Series B Preferred Stock that are being redeemed by such Holder and (ii) specify the name or names (with address or addresses) in which shares of Common Stock are to be issued.

(ii) The conversion of any share of Series B Preferred Stock shall be deemed to have been made in connection with any exercise of the Conversion Right at the close of business on the date the Conversion Notice is deemed given (the "Conversion Date"). Until the Conversion Date with respect to any share of Series B Preferred Stock has occurred, such share of Series B Preferred Stock will remain outstanding and will be entitled to all of the powers, designations, preferences and other rights provided herein, including entitle the Holder thereof to the voting rights provided in Section V herein. Effective as of the Conversion Date, the rights of the Holder of such shares of Series B Preferred Stock as a holder thereof will cease and from and after such time the Holder entitled to receive the Common Stock issuable upon such conversion will be treated for all purposes as the record holder of such Common Stock.

(iii) As promptly as practicable on or after the Conversion Date, the Company will update or cause to be updated the Company's stock register to reflect the shares of Common Stock held by such Holder as a result of the Conversion and issue and deliver, or cause to be issued and delivered evidence of such issuance reasonably satisfactory to such Holder. Each Holder agrees to surrender at the office of the Company the certificate(s) in respect of the Series B Preferred Stock so converted, duly endorsed or assigned to the Company or in blank, as applicable.

(b) Conversion Adjustments

(i) Adjustments for Reclassification, Exchange and Substitution. Subject to Section III above, if the Common Stock issuable upon conversion of Series B Preferred shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for above), then, in any such event, in lieu of the number of shares of Common Stock which the holders would otherwise have been entitled to receive, each holder of Series B Preferred Stock shall have the right thereafter to convert such shares of Series B Preferred Stock into a number of shares of such other class or classes of stock which a holder of the number of shares of Common Stock deliverable upon conversion of the Series B Preferred Stock immediately before that change would have been entitled to receive in such reorganization or reclassification, all subject to further adjustment as provided herein with respect to such other shares.

(ii) Other Distributions. In the event the Company shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by this Company or other persons, assets (excluding cash dividends) or options or rights as applicable, then, in each such case for the purpose of this Section IV, the holders of the Series B Preferred shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock into which their shares of Series B Preferred are convertible as of the record date fixed for the determination of the holders of Common Stock entitled to receive such distribution.

(iii) Notice of Adjustment. Upon any adjustment provided for under this section IV(b), the Company shall give written notice thereof, which notice shall state the Conversion Shares resulting from such adjustment, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

(iv) Reservation of Shares. The Company shall at all times reserve and keep available, out of its authorized but unissued shares of Common Stock or out of shares of Common Stock held in its treasury, solely for the purpose of effecting the conversion of the shares of the Series B Preferred, the full number of shares of Common Stock deliverable upon the conversion of all shares of the Series B Preferred from time to time outstanding. The Company shall from time to time in accordance with Nevada law take all steps necessary to increase the authorized amount of its Common Stock if at any time the authorized number of shares of Common Stock remaining unissued shall not be sufficient to permit the conversion of all of the shares of the Series B Preferred. Notwithstanding the foregoing, in the event there are insufficient number of shares of Common Stock to effect a conversion under the terms hereunder, the Holder shall not be permitted to convert into shares of Common Stock of the Company that have not yet been authorized.

(vi) Fractional Shares. No fractional shares or scrip representing fractional shares of Common Stock shall be issued upon the conversion of the Series B Preferred Stock. Fractional shares will be rounded to the next highest whole number.

V. VOTING RIGHTS

The holders of our Series B Preferred will vote together with the holders of the Company's Common Stock on an as converted basis on each matter submitted to a vote of holders of Common Stock.

In addition, the affirmative vote of the holders of a majority of the Company's outstanding Series B Preferred is required to (i) amend the Company's Articles of Incorporation or bylaws in a way that would be adverse to the holders of the Company's Series B Preferred, (ii) redeem or repurchase any capital stock of the Company , (iii) declare or pay dividends on any class of capital stock of the Company, or (iv) issue any securities in parity with (other than shares of Series A Preferred) or senior to the rights of the Series B Preferred with respect to distributions of assets upon liquidation, dissolution or winding up of the Company.

VI. REDEMPTION

The Series B Preferred is not redeemable**.**

VII. REISSUANCE

No shares of Series B Preferred Stock which have been converted to Common Stock shall be reissued by the Company; provided, however, that any such share, upon being converted and canceled, shall be restored to the status of an authorized but unissued share of Preferred Stock without designation as to series, rights or preferences and may thereafter be issued as a share of Preferred Stock not designated as Series B Preferred Stock.

VIII. NO IMPAIRMENT

The Company will not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, 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 to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Certificate of Designation and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the holders of the Series B Preferred Stock against impairment.

IX. MISCELLANEOUS

(a) Lost or Stolen Certificates. Upon receipt by the Company of (i) evidence of the loss, theft, destruction or mutilation of any certificates for any Series B Preferred and (ii) in the case of loss, theft or destruction, indemnity (with a bond or other security) reasonably satisfactory to the Company, or in the case of mutilation, the certificate for SeriesB Preferred (surrendered for cancellation), the Company shall execute and deliver new certificates for Series A Preferred .

(b) Waiver. Notwithstanding any provision in this Certificate of Designation to the contrary, any provision contained herein and any right of the holders of Series B Preferred granted hereunder may be waived as to all shares of Series B Preferred (and the holders thereof) upon the unanimous written consent of the holders of the Series B Preferred.

(c) Notices. Any notices required or permitted to be given under the terms hereof shall be sent by certified or registered mail (return receipt requested) or delivered personally, by nationally recognized overnight carrier or by confirmed facsimile or email transmission, and shall be effective five (5) days after being placed in the mail, if mailed, or upon receipt or refusal of receipt, if delivered personally or by nationally recognized overnight carrier or confirmed facsimile transmission, in each case addressed to a party as set forth below, or such other address and telephone and fax number as may be designated in writing hereafter in the same manner as set forth in this Section.

If to the Company:
Innocap, Inc.

Attn:

If to the holders of Series A Preferred, to the address listed in the Company's books and records.

IN WITNESS WHEREOF, the undersigned has signed this certificate as of the [●] day of [●], 2020.

INNOCAP, INC.

By: _____
Name:
Title:

EXECUTION COPY

NEITHER THIS SECURITY OR THE SECURITIES INTO WHICH THIS SECURITY IS CONVERTIBLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND, ACCORDINGLY, NONE OF THEM MAY BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON CONVERSION OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

10% SECURED SUBORDINATED CONVERTIBLE PROMISSORY NOTE
DUE OCTOBER 6, 2021

Original Issue Date: October 7, 2020
Conversion Price; set forth in Section 4(b)

Principal Amount: $1,111,000.00
Purchase Price: $1,000,000.00

This Secured Subordinated Convertible Promissory Note is a duly authorized and validly issued 10% Secured Subordinated Convertible Promissory Note of Innocap, Inc., a Nevada corporation (the "**Company**"), designated as its 10% Secured Subordinated Convertible Promissory Note due October 6, 2021 (this "**Note**"), issued and sold by the Company pursuant to the Securities Purchase Agreement, dated as of October 7, 2020, between the Company and, among others, Trillium Partners LP (together with its successors and registered assigns, the "**Holder**"), a company organized and existing under the laws of the State of Delaware (the "**Purchase Agreement**").

FOR VALUE RECEIVED, the Company promises to pay to the order of the Holder the principal amount of $1,111,000.00 on October 6, 2021 (the "**Maturity Date**") in full in cash or on such earlier date as this Note is required or permitted to be repaid as provided hereunder, in each case together with all accrued but unpaid interest thereon, and otherwise to pay interest to the Holder on the aggregate unconverted and then outstanding principal amount of this Note and other amounts owing under any Transaction Document in accordance with the provisions hereof. Amounts repaid may not be reborrowed.

This Note is subject to the following additional provisions:

SECTION 1
DEFINITIONS

For the purposes hereof, in addition to the terms defined elsewhere in this Note or the Purchase Agreement, the following terms shall have the following meanings:

"**Alternate Consideration**" shall have the meaning set forth in Section 5(e).

"**Base Share Price**" shall have the meaning set forth in Section 5(c).

"**Beneficial Ownership Limitation**" shall have the meaning set forth in Section 4(d).

"**Buy-In**" shall have the meaning set forth in Section 4(c)(v).

"**Capital Lease**" means, as applied to any Person, any lease of, or other arrangement conveying the right to use, any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person.

"**Capital Stock**" means any share, participation or other equivalent (however designated) of the capital stock of a corporation, any equivalent ownership interest in any other Person, including partnership interests and membership interests, and any warrant, right or option to purchase or other arrangement (including through a conversion or exchange of any other property) to acquire or subscribe for any item otherwise satisfying the definition of "Capital Stock," whether or not presently convertible, exchangeable or exercisable.

"**Closing Sale Price**" means, for any security as of any date, the last closing trade price for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price, then the last trade price of such security prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last closing trade price of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last closing trade price of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg, or, if no closing trade price is reported for such security by Bloomberg, the average of the ask prices of any market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. All such determinations shall be appropriately adjusted for any stock splits, stock dividends, stock combinations, recapitalizations or other similar transactions during such period.

"**Common Stock**" means the Common Stock of the Company, par value $0.001 per share, and any Capital Stock into which such shares of Common Stock shall have been changed or any share capital resulting from a reclassification of such Common Stock.

"**Company Party**" means the Company and any of its Subsidiaries, as applicable.

"**Conversion**" shall have the meaning ascribed to such term in Section 4.

"**Conversion Date**" shall have the meaning set forth in Section 4(a).

"**Conversion Schedule**" means the Conversion Schedule in the form of **Schedule 1**.

"**Conversion Shares**" means, collectively, the shares of Common Stock issuable upon conversion of this Note in accordance with the terms hereof, including shares of Common Stock issued upon conversion, redemption or amortization of this Note, and shares of Common Stock issued and issuable in lieu of the cash payment of interest on this Note in accordance with the terms of this Note.

"Derivative" means (a) any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedging agreement or other similar agreement or arrangement, (b) any foreign exchange contract, currency swap agreement, futures contract, option contract, synthetic cap or other similar agreement or arrangement, (d) any futures or forward contract, spot transaction, commodity swap, purchase or option agreement, other commodity price hedging arrangement, cap, floor or collar transaction, any credit default or total return swap, and (e) any other derivative instrument, any other similar speculative transaction and any other similar agreement or arrangement designed to alter the risks of any Person arising from fluctuations in any underlying variable, including interest rates, currency values, insurance, catastrophic losses, climatic or geological conditions or the price or value of any other derivative instrument. For the purposes of this definition, "derivative instrument" means "any derivative instrument" as defined in Statement of Financial Accounting Standards No. 133 (Accounting for Derivative Instruments and Hedging Activities) of the United States Financial Accounting Standards Board, and any defined with a term similar effect in any successor statement or any supplement to, or replacement of, any such statement.

"**Dilutive Issuance**" shall have the meaning set forth in Section 5(c).

"**Dilutive Issuance Notice**" shall have the meaning set forth in Section 5(c).

"**DTC**" means the Depository Trust Company.

"**DTC/FAST Program**" means the DTC's Fast Automated Securities Transfer Program.

"**DWAC Eligible**" means that (a) the Common Stock is eligible at DTC for full services pursuant to DTC's Operational Arrangements, including transfer through DTC's DWAC system, (b) the Company has been approved (without revocation) by the DTC's underwriting department, (c) the Transfer Agent is approved as an agent in the DTC/FAST Program, (d) the Conversion Shares are otherwise eligible for delivery via DWAC, and (e) the Transfer Agent does not have a policy prohibiting or limiting delivery of the Conversion Shares via DWAC.

"**Equity Conditions**" means, during the period in question, (a) [reserved], (b) the Company has timely filed (or obtained extensions in respect thereof and filed within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act or if the Company is not subject to Section 15(d) of the Act, the alternative reporting rules under which it is subject and the Company has met the current public information requirements of Rule 144(c) under the Securities Act as of the end of the period in question, (c) [reserved], (d) by no later than November 20, 2020, the Common Stock must be DWAC Eligible and not subject to a "DTC chill," (e) on any date that the Company desires to make a payment of interest and/or principal in shares of Common Stock instead of cash, the Common Stock has closed at or above $0.001 per share on the Trading Market with respect to the Trading Day immediately prior to any date on which interest or principal is to be paid, (f) the Required Minimum Reserve is current and not deficient in accordance with this Note and the Transaction Documents, and (g) this Note and/or the Conversion Shares are registered under the Securities Act pursuant to an effective registation statement under the Registration Rights Agreement.

"**Equity Line of Credit"** shall have the meaning set forth in Section 5(h).

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Exempt Issuance**" means the issuance of (a) shares of Common Stock or options to employees, officers, directors, advisors or independent contractors of the Company; **provided,** that such issuance is approved by a majority of the board of directors of the Company; and **provided**, **further** that such issuance shall not exceed in the aggregate fifteen percent 15% of the outstanding shares of Common Stock without the prior approval of the Purchasers, (b) shares of Common Stock, warrants or options to advisors or independent contractors of the Company for compensatory purposes, (c) Securities issued upon the exercise or exchange of or conversion of any Notes issued pursuant to the Purchase Agreement, and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date hereof; **provided,** that such Securities have not been amended since the date hereof to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities, (d) securities issuable pursuant to any contractual anti-dilution obligations of the Company in effect as of the date hereof; **provided,** that such obligations have not been materially amended since the date of hereof, and (e) securities issued pursuant to acquisitions or any other strategic transactions approved by a majority of the disinterested members of the Board of Directors **provided,** that any such issuance shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

"**Event of Default**" shall have the meaning set forth in Section 7(a).

"**Fundamental Transaction**" means (A) that the Company shall, directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, (i) consolidate or merge with or into (whether or not the Company is the surviving corporation) another Subject Entity, or (ii) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company or any of its "significant subsidiaries" (as defined in Rule 1-02 of Regulation S-X) to one or more Subject Entities, or (iii) make, or allow one or more Subject Entities to make, or allow the Company to be subject to or have its shares of Common Stock be subject to or party to one or more Subject Entities making, a purchase, tender or exchange offer that is accepted by the holders of at least either (x) 50% of the outstanding shares of Common Stock, (y) 50% of the outstanding shares of Common Stock calculated as if any shares of Common Stock held by all Subject Entities making or party to, or Affiliated with any Subject Entities making or party to, such purchase, tender or exchange offer were not outstanding; or (z) such number of shares of Common Stock such that all Subject Entities making or party to, or Affiliated with any Subject Entity making or party to, such purchase, tender or exchange offer, become collectively the beneficial owners (as defined in Rule 13d-3 under the Exchange Act) of at least 50% of the outstanding shares of Common Stock, or (iv) consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with one or more Subject Entities whereby all such Subject Entities, individually or in the aggregate, acquire, either (x) at least 50% of the outstanding shares of Common Stock, (y) at least 50% of the outstanding shares of Common Stock calculated as if any shares of Common Stock held by all the Subject Entities making or party to, or Affiliated with any Subject Entity making or party to, such stock purchase agreement or other business combination were not outstanding; or (z) such number of shares of Common Stock such that the Subject Entities become collectively the beneficial owners (as defined in Rule 13d-3 under the Exchange Act) of at least 50% of the outstanding shares of Common Stock, or (v) reorganize, recapitalize or reclassify its shares of Common Stock, (B) that the Company shall, directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, allow any Subject Entity individually or the Subject Entities in the aggregate to be or become the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, whether through acquisition, purchase, assignment, conveyance, tender, tender offer, exchange, reduction in outstanding shares of Common Stock, merger, consolidation, business combination, reorganization, recapitalization, spin-off, scheme of arrangement, reorganization, recapitalization or reclassification or otherwise in any manner whatsoever, of either (x) at least 50% of the aggregate ordinary voting power represented by issued and outstanding shares of Common Stock, (y) at least 50% of the aggregate ordinary voting power represented by issued and outstanding shares of Common Stock not held by all such Subject Entities as of the date of this Warrant calculated as if any shares of Common Stock held by all such Subject Entities were not outstanding, or (z) a percentage of the aggregate ordinary voting power represented by issued and outstanding shares of Common Stock or other equity securities of the Company sufficient to allow such Subject Entities to effect a statutory short form merger or other transaction requiring other shareholders of the Company to surrender their shares of Common Stock without approval of the shareholders of the Company, (C) directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, the issuance of or the entering into any other instrument or transaction structured in a manner to circumvent, or that circumvents, the intent of this definition in which case this definition shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this definition to the extent necessary to correct this definition or any portion of this definition which may be defective or inconsistent with the intended treatment of such instrument or transaction, (D) during any period of twelve consecutive calendar months, individuals who at the beginning of such period constituted the board of directors of the Company (together with any new directors whose election by the board of directors of the Company or whose nomination for election by the stockholders of the Company was approved by a vote of a majority of the directors then still in office who either were directors at the beginning of such period or whose elections or nomination for election was previously so approved) cease for any reason other than death or disability to constitute a majority of the directors then in office, or (E) a Fundamental Transaction has been announced but has not yet closed.

"**Late Fees**" shall have the meaning set forth in Section 2(d).

"**Mandatory Default Amount**" means, at any time, the sum of (a) one hundred thirty-five percent (135%) of the sum of the outstanding principal amount of this Note at such time and all accrued interest hereon unpaid at such time and (b) all other amounts, costs, fees (including Late Fees), expenses, indemnification and liquidated and other damages and other amounts due to the Holder or any other Purchaser Party in respect of this Note or any other Transaction Document.

"**Mandatory Prepayment Amount**" means, at any time with respect to any principal amount, the sum of (a) such outstanding principal amount at such time and all accrued interest hereon unpaid at such time, and (b) all other amounts, costs, fees (including Late Fees), expenses, indemnification and liquidated and other damages and other amounts due to the Holder or any other Purchaser Party in respect of this Note or any other Transaction Document.

"**Note Register**" shall have the meaning set forth in Section 2(f).

"**Notice of Conversion**" shall have the meaning set forth in Section 4(a).

"**Obligations**" means all amounts, indebtedness, obligations, liabilities, covenants and duties of every type and description owing by any Company Party from time to time to the Holder or its Purchaser Parties under this Note or any other Transaction Document, whether direct or indirect, joint or several, absolute or contingent, due or to become due, liquidated or unliquidated, secured or unsecured, now existing or hereafter arising and however acquired (regardless of whether acquired by assignment), whether or not evidenced by any note or other instrument or for the payment of money, including, without duplication, (i) the principal amount of the Note owing by the Company or any other Company Party, (ii) all other amounts, fees (including all Late Fees), interest (including any increase upon an Event of Default), liquidated damages, commissions, charges, costs, expenses, attorneys' fees and disbursements, indemnities (including Losses and other amounts for which any Company Party is required to indemnify the Holder or any of its Purchaser Parties under the Purchase Agreement), reimbursement of amounts paid and other sums chargeable to any Company Party under any Transaction Document or otherwise arising under any Transaction Document and (iii) all interest on any item otherwise qualifying as "Obligation" hereunder, whether or not accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or similar proceeding, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding.

"**Original Issue Date**" means the date of the first issuance of this Note, regardless of any transfers of any Note and regardless of the number of instruments which may be issued to evidence such Note.

"**Permitted Debt**" means all of the following: (i) Indebtedness owing to the Company under any Transaction Document; (ii) unsecured intercompany Indebtedness between the Company and its Subsidiaries in the ordinary course of business; (iii) unsecured Indebtedness of the Company or any of its Subsidiaries to trade creditors (including overdue amounts on invoices) incurred on customary terms in the ordinary course of business; (iv) existing Indebtedness existing on the Closing Date and disclosed on the Disclosure Schedule; (v) Indebtedness which is assumed for purposes of repaying or satisfying Corefund in an amount not to exceed at any one time $25,000,000; (vi) Indebtedness of the Company or any Subsidiary under Capital Leases for equipment or Indebtedness of the Company or any Subsidiary secured by a Purchase Money Lien, which Indebtedness shall not at any time exceed $50,000 in the aggregate for the Company and its Subsidiaries; (vii) Indebtedness of the Company or any of its Subsidiaries under leases for facilities that are treated as Capital Leases under GAAP; (viii) Indebtedness in an aggregate principal amount of not greater than $500,000 following the date hereof; and (ix) any other Indebtedness incurred with the prior written consent of the Holder.

"**Permitted Liens**" means all of the following:

(i) Liens securing the payment of taxes, assessments or other charges or levies imposed by any Governmental Authority which are either not yet overdue or the validity of which are being contested in good faith by appropriate proceedings diligently pursued and with respect to which adequate reserves have been set aside on its books;

(ii) non-consensual statutory Liens (other than Liens securing the payment of taxes) arising in the ordinary course of business to the extent (A) such Liens secure Indebtedness that is not overdue for a period of more than 30 days or (B) such Liens secure Indebtedness relating to claims or liabilities that are fully insured and being defended at the sole cost and expense and at the sole risk of the insurer or being contested in good faith by appropriate proceedings diligently pursued, in each case prior to the commencement of foreclosure or other similar proceedings and with respect to which adequate reserves have been set aside on its books;

(iii) zoning, building and land use restrictions, easements, servitudes, encumbrances, licenses, covenants and other restrictions affecting the use of real property or minor defects or irregularities in title thereto that do not interfere in any material respect with the use of such real property or the ordinary conduct of the business of the Company and its Subsidiaries as presently conducted thereon or materially impair the value of the real property that may be subject thereto;

(iv) pledges and deposits of cash in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security benefits consistent with current practices as in effect on the date hereof;

(v) undetermined or inchoate Liens and charges arising or potentially arising under statutory provisions which have not at the time been filed or registered in accordance with applicable Law or of which written notice has not been duly given in accordance with applicable Regulation or which although filed or registered, relate to obligations not due or delinquent, including without limitation statutory Liens incurred, or pledges or deposits made, under worker's compensation, employment insurance and other social security legislation;

(vi) Liens or deposits to secure the performance of bids, tenders, expropriation proceedings, trade contracts, leases, statutory obligations, surety and performance bonds and other obligations of a like nature (other than for borrowed money), and deposits to secure equipment contracts, in each case incurred in the ordinary course of business;

(vii) appeal bonds;

(viii) landlord Liens for rent not yet due and payable;

(ix) Liens arising from operating leases and the precautionary UCC financing statement filings in respect thereof;

(x) judgments and other similar Liens arising in connection with court proceedings that do not constitute an Event of Default ; **provided**, that, (A) such Liens are being contested in good faith and by appropriate proceedings diligently pursued, (B) adequate reserves or other appropriate provision, if any, as are required by GAAP have been made therefor and (C) a stay of enforcement of any such Liens is in effect;

(xiii) customary rights of set-off or combination of accounts in favor of a financial institution with respect to deposits maintained by it;

(xiv) Liens arising under the Merger Transaction Documents and Liens which have been set forth in the Disclosure Certificate referenced in the Security Agreement or Disclosure Schedule referenced in the Purchase Agreement; and

(xv) Liens disclosed in writing to the Holder owing to Corefund or any of its affiliates, successors or assignees.

"**Principal Market**" means the OTC Markets Group Inc. PINK.

"**Purchase Money Lien**" means any Lien securing Indebtedness (i) upon or in any equipment acquired or held by the Company or any of its Subsidiaries to secure the purchase price of such equipment or indebtedness incurred solely for the purpose of financing the acquisition or lease of such equipment or (ii) existing on such equipment at the time of its acquisition, in each case **provided,** that the Lien is confined solely to the property so acquired and improvements thereon, and the proceeds of such equipment.

"**Required Minimum Reserve**" means, as of any date, the maximum aggregate number of shares of Common Stock then issued or potentially issuable in the future pursuant to this Note, including any Conversion Shares issuable upon conversion in full of this Note, ignoring any conversion limits set forth therein, which shall initially be: 2,997,175,374 shares (subject to proportionate adjustment for any reverse stock split or similar reclassification of the Common Stock).

"**Securities**" means any Capital Stock, voting trust certificates, certificates of interest or participation in any profit sharing Contractual Obligation or arrangement, loans, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, any other item commonly known as "security," any other item treated as "security" under the Securities Act, the Investment Company Act of 1940, the Investment Advisers Act of 1940 or any other Regulation of the United States, any State, province or any political subdivision of either of them and any certificate of interest, share or participation in temporary or interim certificates for the purchase or acquisition of, or any option, warrant, right to subscribe to, purchase or acquire, or any Derivative valued by reference to, any item otherwise qualifying as Security hereunder.

"**Share Delivery Date**" shall have the meaning set forth in Section 4(c)(ii).

"Subject Entity" means any Person, Persons or or "group" (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act)or any Affiliate or associate of any such Person, Persons or "group".

"**Successor Entity**" shall have the meaning set forth in Section 5(e).

"**Variable Priced Equity Linked Instruments"** shall have the meaning set forth in Section 5(h).

"**Variable Rate Transaction"** shall have the meaning set forth in Section 5(h).

SECTION 2
REPAYMENT

a) **Amortization of Principal**. Except as expressly set forth in this Note, there is no requirement to amortize or otherwise repay the principal amount of this Note prior to the Maturity Date.

b) **Voluntary Prepayments**. [**Reserved**].

c) **Interest**. The Company shall pay interest on a quarter annual basis in arrears in cash to the Holder commencing on January 1, 2021 and continuing thereafter on each quarter annual anniversary of such date until the Obligations have been satisfied in full, on the aggregate then outstanding principal amount of this Note at the rate of ten percent (10%) per annum from the date such Note is issued (or in the case of any other Obligation, from the date such obligation becomes due and payable) until all such principal amounts and other Obligations are paid in full in cash, in immediately available Dollars, or, at the option of the Holder, upon three (3) Business Days' notice to the Company, in shares of freely tradeable Common Stock, in such an amount which equals the amount of interest to be paid divided by the average Closing Sale Price over the twenty (20) Trading Day period immediately preceding the notice provided by the Holder to the Company. Any interest payments hereunder payable in cash, will be paid in immediately available Dollars. Accrued and unpaid interest shall be due and payable on each Conversion Date, prepayment date, and on the Maturity Date, or as otherwise set forth herein. Upon an Event of Default, the interest rate set forth hereunder shall increase as provided in Section 7(b) of this Note.

d) **Late Fee**. The Company shall pay a late fee (the "**Late Fees**") on any amount required to be paid under any Transaction Document and not paid within three Business Days of when due, at a rate equal to the lesser of an additional three percent (3%) of such amount required to be paid at such time or the maximum rate permitted by applicable law which shall be due and owing daily from the date such amount is due hereunder through the date of actual payment in full of such amount in cash or Common Stock, as determined by the Holder. These Late Fees are to cover the extra internal expenses and inconvenience involved in handling delinquent payments and is not to be construed to cover or be applied against any indemnity or any out-of-pocket fees, costs or expenses incurred in any action to collect any Obligation or to foreclose any Lien securing the same. This provision shall not affect or limit the holder's rights or remedies with respect to any Event of Default.

e) **Interest and Fee Calculations and Payment Provisions** All payments made under any Transaction Document, except as otherwise expressly provided in such Transaction Document, shall be made in cash, in immediately available Dollars without set off or counterclaim. Interest and fees shall be calculated on the basis of a 360-day year, consisting of twelve (12) thirty (30) calendar day periods, for the actual number of days (including the first day but excluding the last day) occurring in the applicable period and shall accrue daily. Interest hereunder will be paid to the initial Holder or, if the Company has received notice of any transfer thereof signed by the initial Holder or any successive Holders, to the Person in whose name this Note is registered on the records of the Company regarding registration and transfers of this Note (the "**Note Register**"). No prepayment may be made hereunder without the notice required hereunder or without payment of the Mandatory Prepayment Amount. The Holder shall have the option to refuse or accept, in its sole discretion, any attempted prepayment made without the notice required hereunder. or any attempted prepayment that does not appear to include the full Mandatory Prepayment Amount when required. In addition, regardless of the intended characterization of the Company of any payment, the Holder shall have the option, in its sole discretion, to recharacterize or apply any portion of such prepayment, including recharacterizing a payment as a smaller prepayment of principal together with payment of the remainder of the Mandatory Prepayment Amount to account for a payment of the Mandatory Prepayment Amount. The Holder may apply any payment made under any Transaction Document to any outstanding Obligation, in its sole discretion. The Company hereby irrevocably waives the right to direct the application of any payment in respect to any amount due under the Transaction Documents. Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be. Each determination by the Holder of an amount of interest or fee due hereunder shall be conclusive and binding for all purposes, absent manifest error.

SECTION 3
REGISTRATION OF TRANSFERS AND EXCHANGES

a) **Different Denominations.** This Note is exchangeable for an equal aggregate principal amount of Notes of different authorized denominations, as requested by the Holder surrendering the same. No service charge will be payable for such registration of transfer or exchange.

b) **Investment Representations.** This Note has been issued subject to certain investment representations of the original Holder and may be transferred or exchanged only in compliance with applicable federal and state securities Regulations.

c) **Reliance on Note Register.** The initial Holder is listed herein. Prior to due presentment for transfer to the Company of this Note, the Company and any agent of the Company may treat the Person in whose name this Note is duly registered, upon receipt of appropriate signed notice from the Person previously listed on the Note Register as owner hereof, on the Note Register as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Note is overdue, and neither the Company nor any such agent shall be affected by notice to the contrary.

SECTION 4
CONVERSION

a) **Voluntary Conversion**. At any time after the Original Issue Date until this Note is no longer outstanding, this Note shall be convertible, in whole or in part, into shares of Common Stock at the option of the Holder, at any time and from time to time (subject to the conversion limitations set forth in Section 4(d)). The Holder shall effect conversions by delivering to the Company a Notice of Conversion, the form of which is attached hereto as **Annex A** (each, a "**Notice of Conversion**"), specifying therein the principal amount of this Note to be converted and the date on which such conversion shall be effected (such date, the "**Conversion Date**"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion is deemed delivered hereunder. No ink-original Notice of Conversion shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Conversion form be required. To effect conversions hereunder, the Holder shall not be required to physically surrender this Note to the Company unless the entire principal amount of this Note, plus all accrued and unpaid interest thereon, has been so converted. Conversions hereunder shall have the effect of lowering the outstanding principal amount of this Note in an amount equal to the applicable conversion. The Holder and the Company shall maintain a Conversion Schedule, containing at a minimum the information shown on **Schedule 1,** and showing historically, among other things, the principal amounts converted and the date of such conversions. The Company may deliver an objection to any Notice of Conversion within one (1) Business Day of delivery of such Notice of Conversion. In the event of any dispute or discrepancy, the records of the Holder shall be controlling and determinative in the absence of manifest error. On the date of receipt of a Notice of Conversion, the Company shall transmit by facsimile or electronic mail an acknowledgment of confirmation and representation as to whether such shares of Common Stock may then be resold pursuant to Rule 144 or an effective and available registration statement, in the form attached hereto as **Annex B**, of receipt of such Notice of Conversion to the Holder and the Transfer Agent, which confirmation shall constitute an instruction to the Transfer Agent to process such Notice of Conversion in accordance with the terms herein.

b) **Conversion Price**. The conversion price in effect on any Conversion Date shall be equal to the average of the closing prices on the Principal Market for the ten (10) Trading Days immediately preceding the date written notice of conversion is provided to the Company, subject to adjustment herein (the "**Conversion Price**"); **provided**, **however**, that in no instance shall the Holder be entitled to convert at a price lower than $0.00119759 (the "**Floor Price**") and in no instance shall the Holder be entitled to convert into such an amount of Common Stock that, together with all shares of Common Stock which have been previously converted by the Holder, would equal greater than 13.8875% of the total issued and outstanding shares of Common Stock of the Company, subject to adjustment as provided herein, including, but not limited to, adjustments for any stock split, stock combination, reclassification or similar transaction that proportionately decreases or increases the Common Stock during such measuring period. The Conversion Price shall be rounded down to the nearest $0.0001 and in no event lower than $0.00119759. For the avoidance of doubt, the Company and the Holder agree that the per share price of $0.00119759 equates to an $8,000,000 valuation of the Company.

Nothing herein shall limit a Holder's right to pursue actual damages or declare an Event of Default pursuant to Section 7 and the Holder shall have the right to pursue all remedies available to it hereunder, at law or in equity including a decree of specific performance and/or injunctive relief. The exercise of any such rights shall not prohibit the Holder from seeking to enforce damages pursuant to any other Section hereof or under applicable law.

c) **Mechanics of Conversion**.

i. **Conversion Shares Issuable Upon Conversion of Principal Amount**. The number of Conversion Shares issuable upon a conversion hereunder shall be determined by the quotient obtained by dividing (x) the outstanding principal amount of this Note to be converted and any accrued and unpaid interest to be converted by (y) the Conversion Price.

ii. **Delivery of Certificate Upon Conversion**. Not later than two (2) Trading Days after each Conversion Date (the "**Share Delivery Date**"), the Company shall deliver, or cause to be delivered, to the Holder a certificate or certificates representing the Conversion Shares which, on or after the date on which such Conversion Shares are eligible to be sold under Rule 144 without the need for current public information and the Company has received an opinion of counsel (as required pursuant to Section 4.1(c) of the Securities Purchase Agreement) to such effect, which such opinion must be acceptable to the Holder in its sole and absolute discretion (which opinion the Company's counsel or at the Holder option,the Holder shall be responsible for obtaining at the Company's sole cost and expense) shall be free of restrictive legends and trading restrictions, representing the number of Conversion Shares being acquired upon the conversion of this Note. All certificate or certificates required to be delivered by the Company under this Section 4(c) shall be delivered electronically through DTC or another established clearing corporation performing similar functions. If the Conversion Date is prior to the date on which such Conversion Shares are eligible to be sold under Rule 144 without the need for current public information, or there is no registration statement in effect covering the Conversion Shares, the Conversion Shares shall bear a restrictive legend in the following form, as appropriate:

"THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES."

Notwithstanding the foregoing, commencing on such date that the Conversion Shares are eligible for sale under Rule 144 subject to current public information requirements, the Company, upon request and at the sole cost and expense of the Company, shall obtain a legal opinion that is acceptable to the Holder in its sole and absolute discretion, to allow for such sales under Rule 144.

iii. **Failure to Deliver Certificates**. If, in the case of any Notice of Conversion, such certificate or certificates are not delivered to or as directed by the applicable Holder by the Share Delivery Date, the Holder shall be entitled to elect by written notice to the Company at any time on or before its receipt of such certificate or certificates, to rescind such Conversion, in which event the Company shall promptly return to the Holder any original Note delivered to the Company and the Holder shall promptly return to the Company the Common Stock certificates issued to such Holder pursuant to the rescinded Notice of Conversion.

iv. **Obligation Absolute; Partial Liquidated Damages**. The Company's obligations to issue and deliver the Conversion Shares upon conversion of this Note in accordance with the terms hereof 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 hereof, 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 Regulations by the Holder or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of such Conversion Shares; **provided**, that such delivery shall not operate as a waiver by the Company of any such action the Company may have against the Holder. In the event the Holder of this Note shall elect to convert any or all of the outstanding principal or interest amount hereof, the Company may not refuse conversion based on any claim that the Holder or anyone associated or affiliated with the Holder has been engaged in any violation of Regulation, Contractual Obligation or for any other reason, unless an injunction from a court, on notice to Holder, restraining and or enjoining conversion of all or part of this Note shall have been sought. If the injunction is not granted, the Company shall promptly comply with all conversion obligations herein. If the injunction is obtained, the Company must post a surety bond for the benefit of the Holder in the amount of one hundred fifty percent (150%) of the outstanding principal amount of this Note, which is subject to the injunction, which bond shall remain in effect until the completion of arbitration/litigation of the underlying dispute and the proceeds of which shall be payable to the Holder to the extent it obtains judgment. In the absence of seeking such injunction, the Company shall issue Conversion Shares or, if applicable, cash, upon a properly noticed conversion. If the Company fails for any reason to deliver to the Holder such certificate or certificates pursuant to Section 4(c)(ii) by the Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, (i) $1,000 per Business Day for the first thirty (30) Business Days of such failure and (ii) $5,000 per Business Day for each Business Day after the first thirty (30) Business Days of such failure until such certificates are delivered or Holder rescinds such conversion. Nothing herein shall limit a Holder's right to pursue actual damages or declare an Event of Default pursuant to Section 7 for the Company's failure to deliver Conversion Shares within the period specified herein and the Holder shall have the right to pursue all remedies available to it hereunder, at law or in equity including a decree of specific performance and/or injunctive relief. The exercise of any such rights shall not prohibit the Holder from seeking to enforce damages pursuant to any other Section hereof or under applicable Regulation.

v. **Compensation for Buy-In on Failure to Timely Deliver Certificates Upon Conversion** In addition to any other rights available to the Holder, if the Company fails for any reason to deliver to the Holder such certificate or certificates by the Share Delivery Date pursuant to Section 4(c)(ii), and if after such Share Delivery Date the Holder is required by its brokerage firm to purchase (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 which the Holder was entitled to receive upon the conversion relating to such Share Delivery Date (a "**Buy-In**"), then the Company shall (A) pay in cash to the Holder (in addition to any other remedies available to or elected by the Holder) the amount, if any, by which (x) the Holder's total purchase price (including any brokerage commissions) for the Common Stock so purchased exceeds (y) the product of (1) the aggregate number of shares of Common Stock that the Holder was entitled to receive from the conversion at issue multiplied by (2) the actual sale price at which the sell order giving rise to such purchase obligation was executed (including any brokerage commissions) and (B) at the option of the Holder, either reissue (if surrendered) this Note in a principal amount equal to the principal amount of the attempted conversion (in which case such conversion shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued if the Company had timely complied with its delivery requirements under Section 4(c)(ii). For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted conversion of this Note with respect to which the actual sale price of the Conversion Shares (including any brokerage commissions) giving rise to such purchase obligation was a total of $10,000 under clause (A) of the immediately preceding sentence, the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Common Stock upon conversion of this Note as required pursuant to the terms hereof.

vi. **Reservation of Shares Issuable Upon Conversion**. Subject to the applicable provisons of the Purchase Agreement, the Company covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock a number of shares of Common Stock at least equal to the Required Minimum Reserve for the sole purpose of issuance upon conversion of this Note and payment of interest on this Note, each as herein provided, free from preemptive rights or any other actual contingent purchase rights of Persons other than the Holder (and the other holders of the Notes). The Company covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable. The Company shall calculate and readjust the minimum share reserve on the first Business Day of each month so long as this Note is outstanding; **provided**, **however**, in no event shall such minimum share reserve be reduced below the Required Minimum Reserve.

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

viii. **Transfer Taxes and Expenses**. The issuance of certificates for shares of the Common Stock on conversion of this Note shall be made without charge to the Holder hereof for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificates, **provided,** that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate upon conversion in a name other than that of the Holder of this Note so converted and the Company shall not be required to issue or deliver such certificates unless or until the Person or Persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Conversion.

d) **Holder's Conversion Limitations**. The Company shall not effect any conversion of principal or interest of this Note, and a Holder shall not have the right to convert any principal or interest of this Note, to the extent that after giving effect to the conversion set forth on the applicable Notice of Conversion, the Holder (together with the Holder's Affiliates, and any Persons acting as a group together with the Holder or any of the Holder's Affiliates) (such Persons, " **Attribution Parties**") would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties or Attribution Parties shall include the number of shares of Common Stock issuable upon conversion of this Note with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which are issuable upon (i) conversion of the remaining, unconverted principal amount of this Note beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or unconverted portion of any other Securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein (including any other Notes) beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 4(d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. To the extent that the limitation contained in this Section 4(d) applies, the determination of whether this Note is convertible (in relation to other Securities owned by the Holder together with any Affiliates or Attribution Parties) and of which principal amount of this Note is convertible shall be in the sole discretion of the Holder, and the submission of a Notice of Conversion shall be deemed to be the Holder's determination of whether this Note may be converted (in relation to other Securities owned by the Holder together with any Affiliates or Attribution Parties) and which principal amount of this Note is convertible, in each case subject to the Beneficial Ownership Limitation. To ensure compliance with this restriction, the Holder will be deemed to represent to the Company each time it delivers a Notice of Conversion that such Notice of Conversion has not violated the restrictions set forth in this paragraph and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 4(d), in determining the number of outstanding shares of Common Stock, the Holder may rely on the number of outstanding shares of Common Stock as stated in the most recent of the following: (i) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (ii) a more recent public announcement by the Company, or (iii) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within two Trading Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of Securities of the Company, including this Note, by the Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "**Beneficial Ownership Limitation**" shall be 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of this Note held by the Holder. The Holder may increase the Beneficial Ownership Limitation at any time and the Holder, upon not less than 61 days prior notice to the Company may increase the Beneficial Ownership Limitation provisions of this Section 4(d); **provided,** that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon conversion of this Note held by the Holder and the Beneficial Ownership Limitation provisions of this Section 4(d) shall continue to apply. Any such increase will not be effective until the sixty-first (61^{st}) day after such notice is delivered to the Company. **Provided**, **further**, to the extent that the Holder's right to participate in any such conversion right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such conversion right to such extent (or beneficial ownership of such shares of Common Stock as a result of such conversion right to such extent) and such conversion right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation). The Beneficial Ownership Limitation provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 4(d) to correct this paragraph (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 limitations contained in this paragraph shall apply to a successor holder of this Note.

SECTION 5
CERTAIN ADJUSTMENTS

a) **Stock Dividends and Stock Splits**. If the Company, at any time while this Note is outstanding: (i) pays a stock dividend or otherwise makes a Restricted Payment payable in shares of Common Stock on shares of Common Stock or any Stock Equivalents (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon conversion of, or payment of interest on, this Note), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Company, then the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding any treasury shares of the Company) outstanding immediately before such event, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this Section 5(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) **Lower Priced Transaction**. So long as this Note remains outstanding, other than in respect of an Exempt Issuance, the Company shall not enter into any financing transaction pursuant to which the Company sells its Securities at a price lower than the Conversion Price (subject to adjustment in accordance with Section 4(b) and Section 5(a)) without the written consent of the Holder.

c) **Most Favored Nation Status**. If the Company or any Subsidiary thereof, as applicable, at any time while this Note is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any Common Stock or Stock Equivalents, at an effective price per share less than the Conversion Price then in effect other than in respect of an Exempt Issuance (such lower price, the "**Base Share Price**" and such issuances collectively, a "**Dilutive Issuance**") (it being understood and agreed that if the holder of the Common Stock or Stock Equivalents so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive Common Stock at an effective price per share that is less than the Conversion Price, such issuance shall be deemed to have occurred for less than the Conversion Price on such date of the Dilutive Issuance at such effective price), then simultaneously with the consummation of each Dilutive Issuance the Conversion Price shall be reduced and only reduced to equal the Base Share Price. Such adjustment shall be made whenever such Common Stock or Stock Equivalents are issued. The Company shall notify the Holder, in writing, no later than the Trading Day following the issuance or deemed issuance of any Common Stock or Stock Equivalents subject to this Section 5(c), indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price and other pricing terms (such notice, the "**Dilutive Issuance Notice**"). For purposes of clarification, whether or not the Company provides a Dilutive Issuance Notice pursuant to this Section 5(c), upon the occurrence of any Dilutive Issuance, the Holder is entitled to receive a number of Conversion Shares based upon the Base Share Price regardless of whether the Holder accurately refers to the Base Share Price in the Notice of Conversion. If the Company enters into a Variable Rate Transaction, despite the prohibition thereon in the Purchase Agreement, the Company shall be deemed to have issued Common Stock or Stock Equivalents at the lowest possible conversion or exercise price at which such Securities may be converted or exercised. This Section be of no further force and effect following the full repayment of this Note.

d) **Pro Rata Distributions**. While this Note is outstanding, the Company shall not declare or make any Restricted Payment (or rights to receive Restricted Payments). In the event that the Note is permissibly repaid at the time of such Restricted Payment, the Holder shall not be entitled to participate in such Restricted Payment. If the Holder and the Company mutually agree, and the Note is not repaid at the time of such Restricted Payment, then the Holder shall be entitled to participate in such Restricted Payment to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Note (without regard to any limitations on exercise hereof, including the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Restricted Payment, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Restricted Payment (**provided,** that to the extent that the Holder's right to participate in any such Restricted Payment would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Restricted Payment to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Restricted Payment to such extent) and the portion of such Restricted Payment shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

e) **Fundamental Transaction**. Upon the occurrence of any Fundamental Transaction, the Holder, upon any subsequent conversion of this Note, shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction (without regard to any limitation in Section 4(c) on the conversion of this Note), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "**Alternate Consideration**") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Note is convertible immediately prior to such Fundamental Transaction (without regard to any limitation in Section 4(c) on the conversion of this Note). For purposes of any such conversion, the determination of the Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one (1) share of Common Stock in such Fundamental Transaction, and 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 this Note following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "**Successor Entity**") to assume in writing all of the Obligations of the Company, in accordance with the provisions of this Section 5(e) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the holder of this Note, deliver to the Holder in exchange for this Note a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Note which is convertible for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon conversion of this Note (without regard to any limitations on the conversion of this Note) prior to such Fundamental Transaction, and with a conversion price which applies the conversion price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such conversion price being for the purpose of protecting the economic value of this Note immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Note and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the Obligations of the Company with the same effect as if such Successor Entity had been named as the Company herein. For the avoidance of doubt, in the event of the occurrence of a Fundamental Transaction, the Successor Entity, in addition to any of its other obligations set for in this Section 5, shall agree in writing that the Holder is entitled to the anti-dilution rights set forth in this Section 5 for the time period set forth in the Note, or if longer two (2) years after the closing of the Fundamental Transaction.

f) **Calculations**. All calculations under this Section 5 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 5, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding any treasury shares of the Company) issued and outstanding.

g) **Notice to the Holder**.

i. **Adjustment to Conversion Price**. Whenever the Conversion Price is adjusted pursuant to any provision of Section 5, the Company shall promptly deliver to each Holder a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment. Notwithstanding anything in this Section 5 to the contrary, no adjustment pursuant to this Section 5 shall increase the Conversion Price (other than proportional increases upon the occurrence of a reverse stock split in accordance with Section 5(a) above).

ii. **Notice to Allow Conversion by Holder**. If (A) the Company shall declare a dividend (or any other distribution or other Restricted Payment in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other Securities, cash or property or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be filed at each office or agency maintained for the purpose of conversion of this Note, and shall cause to be delivered to the Holder at its last address as it shall appear upon the Note Register, at least twenty (20) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, 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, distribution, Restricted Payment, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange 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, sale, transfer or share exchange; **provided,** that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall, if and as applicable, simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K or take such other action as reasonably determined by the Holder to disseminate such material, non-public information to the marketplace. The Holder shall remain entitled to convert this Note during the 20-day period commencing on the date of such notice through the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

h) **Variable Rate Transaction**. So long as this Note remains outstanding, the Company shall not directly or indirectly (i)(A) consummate any exchange of any Indebtedness and/or Securities of the Company for any other Securities and/or Indebtedness of the Company, (B) cooperate with any person to effect any exchange of Securities and/or Indebtedness of the Company in connection with a proposed sale of such Securities from an existing holder of such Securities to any other unrelated Person), and/or (C) reduce and/or otherwise change the exercise price, conversion price and/or exchange price of any Stock Equivalent of the Company and/or amend any non-convertible Indebtedness of the Company to make it convertible into Securities of the Company, (ii) issue or sell any of its Securities either (A) at a conversion, exercise or exchange rate or price that is based upon and/or varies with the trading prices of, or quotations for, Common Stock, and/or (B) with a conversion, exercise or exchange rate and/or price that is subject to being reset on one or more occasions either (1) at some future date after the initial issuance of such Securities or (2) upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for the Common Stock, and/or (iii) enter into any agreement (including an "equity line of credit" or an "at-the-market offering") whereby the Company may sell Securities at a future determined price. Any transaction contemplated in this Section 5(h), shall be referred to as a "**Variable Rate Transaction**". The Holder shall be entitled to obtain injunctive relief against the Company to preclude any Variable Rate Transaction (without the need for the posting of any bond or similar item, which the Company hereby expressly and irrevocably waives the requirement for), which remedy shall be in addition to any right of the Holder to collect damages. A "Variable Rate Transaction" shall also mean, collectively, an "Equity Line of Credit" or similar agreement, or a Variable Priced Equity Linked Instrument. For purposes hereof, "**Equity Line of Credit**" means any transaction involving a written agreement between the Company and an investor or underwriter whereby the Company has the right to "put" its Securities to the investor or underwriter over an agreed period of time and at future determined price or price formula (other than customary "preemptive" or "participation" rights or "weighted average" or "full-ratchet" anti-dilution provisions or in connection with fixed-price rights offerings and similar transactions that are not Variable Priced Equity Linked Instruments), and "**Variable Priced Equity Linked Instruments**" means: (A) any Stock Equivalent convertible into, exercisable or exchangeable for, or carry the right to receive additional shares of Common Stock either (1) at any conversion, exercise or exchange rate or other price that is based upon and/or varies with the trading prices of or quotations for Common Stock at any time after the initial issuance of such Stock Equivalent, or (2) with a conversion, exercise or exchange price that is subject to being reset on more than one occasion at some future date at any time after the initial issuance of such debt or equity security due to a change in the market price of the Common Stock since date of initial issuance (other than customary "preemptive" or "participation" rights or "weighted average" or "full-ratchet" anti-dilution provisions or in connection with fixed-price rights offerings and similar transactions), and (B) any amortizing convertible Stock Equivalent which amortizes prior to its maturity date, where the Company is required or has the option to (or any investor in such transaction has the option to require the Company to) make such amortization payments in shares of Common Stock which are valued at a price that is based upon and/or varies with the trading prices of or quotations for Common Stock at any time after the initial issuance of such Stock Equivalent (whether or not such payments in Common Stock are subject to certain equity conditions). Notwithstanding the foregoing, the Company may engage in an "at-the-market" transaction on customary terms long as such transaction is consummated in accordance with Section 2(b).

i) Notwithstanding anything which may be otherwise contained in this Section to the contrary, for the avoidance of doubt, the Company shall not effect any conversion of principal or interest of this Note and a Holder shall not have the right to convert any principal or interest of this Note, at a Conversion Price which is less than the Floor Price, subject to adjustment for any stock split, stock combination, reclassification or similar transaction that proportionately decreases or increases the Common Stock.

SECTION 6
REDEMPTION

a) Optional Redemption at Election of Company. Provided that the Company has satisfied all of the Equity Conditions and subject to the provisions of this Section 6(a), at any time after the Effective Date, the Company may deliver a notice to the Holder (an "**Optional Redemption Notice**", accompanied by proof of funds and a statement that any extant Event of Default shall be cured by the applicable Optional Redemption, and the date such notice is deemed delivered hereunder, the "**Optional Redemption Notice Date**") of its irrevocable election to redeem some or all of the then outstanding principal or interest amount of this Note for cash in an amount equal to the Optional Redemption Amount as provided on Schedule 6(a) hereto (the "**Optional Redemption Amount**") on the 20th Trading Day following the Optional Redemption Notice Date (such date, the "**Optional Redemption Date**", such 20-Trading Day period, the "**Optional Redemption Period**" and such redemption, the "**Optional Redemption**"). The Optional Redemption Amount as determined in accordance with Schedule 6(a), is payable in full on the Optional Redemption Date. The Company may only effect an Optional Redemption if each of the Equity Conditions shall have been met, the Company has provided the Holder with proof of funds to defease the principal, interest, and any redemption premium due pursuant to the applicable Optional Redemption, and there is an effective registration statement covering the Conversion Shares on each Trading Day during the period commencing on the Optional Redemption Notice Date through to the Optional Redemption Date and through and including the date payment of the Optional Redemption Amount is actually made in full. If any of the Equity Conditions shall cease to be satisfied at any time during the Optional Redemption Period, then the Holder may elect to nullify the Optional Redemption Notice by notice to the Company within 3 Trading Days after the first day on which any such Equity Condition has not been met (provided that if, by a provision of the Transaction Documents, the Company is obligated to notify the Holder of the non-existence of an Equity Condition, such notice period shall be extended to the third Trading Day after proper notice from the Company) in which case the Optional Redemption Notice shall be null and void, ab initio. The Company covenants and agrees that it will honor all Notices of Conversion tendered from the time of delivery of the Optional Redemption Notice through the date all amounts owing thereon are due and paid in full. The Company's determination to pay an Optional Redemption in cash shall be applied ratably to all of the holders of the then outstanding Notes based on their (or their predecessor's) initial purchases of Notes pursuant to the Purchase Agreement.

b) Optional Redemption Procedure. Subject to Section 6(a), the payment of cash pursuant to an Optional Redemption shall be payable on the Optional Redemption Date. If any portion of the payment pursuant to an Optional Redemption shall not be paid by the Company by the applicable due date, interest shall accrue thereon at an interest rate equal to the lesser of 15% per annum or the maximum rate permitted by applicable law until such amount is paid in full (the "**Optional Redemption Interest Rate**"). Notwithstanding anything herein contained to the contrary, if any portion of the Optional Redemption Amount, as applicable, remains unpaid after such date, the Holder may elect, by written notice to the Company given at any time thereafter, to invalidate such Optional Redemption, as applicable, ab initio, and, with respect to the Company's failure to honor the Optional Redemption, the Company shall have no further right to exercise such Optional Redemption (for the avoidance of doubt, (i) in the event that the Holder elects to invalidate such Optional Redemption, no further Optional Redemption Interest payments described in this Section 6(a) shall be due by the Company, and (ii) [reserved].

SECTION 7
EVENTS OF DEFAULT

a) "**Event of Default**" means, wherever used herein, any of the following events (whatever the reason for such event and whether such event shall be voluntary or involuntary or effected by Regulation or pursuant to any judgment, decree or order of any court, or any order, rule or Regulation of any Governmental Authority):

i. any default in the payment of (A) the principal amount of this Note or (B) interest, fees, liquidated damages or any other amount owing to a Holder on this Note or by any Company Party under any Transaction Document, as and when the same shall become due and payable (whether on a Conversion Date or the Maturity Date or by acceleration or otherwise);

ii. any Company Party shall fail for any reason to comply any Section of this Note or any Transaction Document that provides for an action after a notice period or that provides a specific period of time for the Company Parties to comply with;

iii. any representation or warranty made by any Company Party in this Note, any other Transaction Document, any other Contractual Obligation with, or any other report, financial statement, document, written statement or certificate made or delivered to, the Holder or any other Holder shall be untrue or incorrect in any material respect as of the date when made or deemed made;

iv. any Company Party shall provide at any time notice to the Holder, including by way of public announcement, of such Company Party's intention to not honor any provision of this Note or any other Transaction Document (including requests for conversions of this Note in accordance with the terms hereof);

v. any Company Party shall fail to observe or perform any other covenant, provision, or agreement contained in this Note or any other Transaction Document which failure is not cured, if possible to cure, within the earlier to occur of (A) five (5) Trading Days after notice of such failure sent by the Holder or by any other Holder to the Company and (B) five (5) Trading Days after any Company Party has become or should have become aware of such failure;

vi. (a) a breach, default or event of default (without regard for any cure period therefor provided therein) shall have occurred under any Indebtedness of any Company Party (a) having (individually or in the aggregate for all such Indebtedness) an aggregate maximum principal amount or commitment greater than Fifty Thousand Dollars ($50,000), or (b) any such Indebtedness shall become or be declared due and payable prior to the date on which it would otherwise become due and payable;

vii. A breach, default or event of default (without regard to any subsequent waiver of such event of default or any grace or cure period provided in the applicable agreement, document or instrument) shall have occurred under any other Contractual Obligation to which any Company Party is obligated;

ix. (A) any Company Party or any Subsidiary (as such term is defined in Rule 1-02(w) of Regulation S-X) of any Company Party commences a case or other Proceeding under any bankruptcy, reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency, winding up, reorganization, arrangement, adjustment, protection, relief or composition of debts or liquidation or similar Regulation of any jurisdiction relating to the Company or any Subsidiary thereof or any Proceeding seeking the entry of an order for relief or the appointment of a custodian, receiver, trustee, liquidator or other similar official for it or for any of its assets, (B) any such case or other Proceeding is commenced against the Company or any Subsidiary thereof by any other Person and such case or other Proceeding is not dismissed within forty-five (45) days after commencement, (C) the Company or any Subsidiary thereof is adjudicated insolvent or bankrupt or any order of relief or other order approving any such case or other Proceeding is entered, (D) the Company or any Subsidiary thereof shall generally not pay its debts as such debts become due, shall admit in writing its inability to pay its debts as they mature or shall make a general assignment for the benefit of creditors, (E) the Company or any Subsidiary thereof calls a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts or (F) the Company or any Subsidiary thereof, by any act or failure to act, expressly indicates its consent to, approval of or acquiescence in any of the foregoing or takes any corporate or other action to authorize or otherwise for the purpose of effecting any of the foregoing;

x. any monetary judgment, writ or similar final process shall be entered or filed against any Company Party, any Subsidiary of any Company Party or any of their assets for more than Fifty Thousand Dollars ($50,000), and such judgment, writ or similar final process shall remain unvacated, unbonded or unstayed for a period of forty-five (45) calendar days;

xi. the occurrence of any levy upon or seizure or attachment of, or any uninsured loss of or damage to, any asset of any Company Party or any Subsidiary of any Company Party having an aggregate fair value or repair cost (as the case may be) in excess of Fifty Thousand Dollars ($50,000) individually or in the aggregate, and any such levy, seizure or attachment shall not be set aside, bonded or discharged within thirty (30) days after the date thereof;

xii. at any time after the Original Issue Date, the Common Stock shall not be eligible for listing or quotation for trading on a Trading Market and shall not be eligible to resume listing or quotation for trading thereon within five (5) Trading Days or the transfer of shares of Common Stock through DTC is no longer available or "chilled";

xiii. at any time after the Original Issue Date, the Company does not meet the current public information requirements under Rule 144, which failure is not cured, if possible to cure, within two (2) Trading Days after the expiration of the applicable grace period permitted under Rule 12b-25 of the Exchange Act; **unless** the Company files a Form 12b-25 for the relevant report required to meet the current public information requirements under Rule 144;

xiv. at any time after the Original Issue Date, the Company fails to file with the Commission any required reports under Section 13 or 15(d) of the Exchange Act such that it is not in compliance with Rule 144(c)(1) (or Rule 144(i)(2), if applicable), which failure is not cured, if possible to cure, within two (2) Trading Days after the expiration of the applicable grace period permitted under Rule 12b-25 of the Exchange Act; **unless** the Company files a Form 12b-25 for such report; or

xv. the Company sells or otherwise disposes of any of its assets outside of the ordinary course of its business

xvi. The clauses in the definition of Event of Default above operate independently, so that any action or event that falls within any such clause shall constitute an Event of Default regardless of, whether because of a grace period or threshold or otherwise, it falls outside the language of any other clause.

b) **Remedies Upon Event of Default** Subject to the Beneficial Ownership Limitation as and to the extent set forth in Section 4(d), and subject to any other limitations regarding percentage of ownership of Common Stock contained herein, if any Event of Default occurs, then the outstanding principal amount of this Note, plus accrued but unpaid interest (including all interest, whether or not accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or similar proceeding, all of which shall continue to accrue whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), fees, liquidated damages and any other amounts owing by any Company Party in respect thereof or under any Transaction Document through the date of acceleration, shall become, at the Holder's election in its sole discretion, in whole or in part, immediately due and payable, in cash or in shares of Common Stock (at the Holder's option in its sole discretion), at the Mandatory Default Amount, divided by the Conversion Price. Immediately on and after the occurrence of any Event of Default, without need for notice or demand all of which are waived, interest on this Note shall accrue and be owed daily at an increased interest rate equal to the lesser of two percent (2.0%) per month (twenty-four percent (24.0%) per annum) or the maximum rate permitted under applicable law. Upon the payment in full of the Mandatory Default Amount in cash or in shares of Common Stock, the Holder shall promptly surrender this Note to or as directed by the Company. In connection with such acceleration described herein, the Holder need not provide, and the Company hereby waives, any presentment, demand, protest or other notice of any kind (other than the Holder's election to declare such acceleration), and the Holder may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by Holder at any time prior to payment hereunder and the Holder shall have all rights as a holder of the Note until such time, if any, as the Holder receives full payment pursuant to this Section 7(b). No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Note and the other Transaction Documents and to enforce its rights hereunder and thereunder.

SECTION 8
NEGATIVE COVENANTS

Except as contemplated by the Merger Transacations Documents and unless approved in writing by all of the Holders, as long as any portion of this Note or any other Obligation is not paid in full, the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, do any of the following:

a) other than Permitted Debt, enter into, create, incur, assume, enter into Guaranty Obligations with respect to, or suffer to exist any Indebtedness or repay the principal amount of, redeem, purchase or otherwise acquire or offer to repay the principal amount of, redeem, repurchase or otherwise acquire any Indebtedness whether or not extant on the Original Issue Date (other than the Notes on a pro rata basis based on the principal amounts outstanding);

b) other than Permitted Liens, create, permit, incur or suffer to exist any Lien on any assets other than the Liens securing the Obligations created pursuant to the Transaction Documents;

c) except in the ordinary course of its business, sell or otherwise dispose of any of its assets;

d) other than Permitted Liens, create, permit, incur, assume or suffer to exist any Liens of any kind, on or with respect to any of its assets now owned or hereafter acquired or any interest therein or any income or profits therefrom;

e) amend its charter documents, including its articles of incorporation and bylaws, in any manner that materially and adversely affects any rights of the Holder;

f) make, approve, or offer to make any Restricted Payment any shares of Capital Stock other than with respect to the Conversion Shares and Warrant Shares, and then only as permitted or required under the Transaction Documents;

g) enter into any transaction with any Affiliate of the Company which would be required to be disclosed in any public filing with the Commission, unless such transaction is made on an arm's-length basis and expressly approved by a majority of the disinterested directors of the Company (even if less than a quorum otherwise required for board approval);

h) consummate a Fundamental Transaction;

i) enter into any agreement with respect to any of the foregoing;

j) change the nature of the Company's business from the business conducted by the Company and its Subsidiaries on the date hereof;

k) fail to use the proceeds of the Note as provided for in the Transaction Documents, including being engaged in operations involving the financing of any investments or activities in, or any payments to, any Sanctioned Person;

l) take or allow any action which would cause an adjustment of the par value of the Conversion Price to be less than the par value in effect at such time; or

m) directly or indirectly (including through agents, contractors, trustees, representatives or advisors) (a) be in violation of any Sanctions Law or engage in, or conspire or attempt to engage in, any transaction evading or avoiding any prohibition in any Sanction Law, (b) be a Sanctioned Person or derive revenues from investments in, or transactions with Sanctioned Persons, (c) have any assets located in Sanctioned Jurisdictions, (d) deal in, or otherwise engage in any transactions relating to, any property or interest in property blocked pursuant to any Regulation administered or enforced by OFAC or (e) fail to comply with any material Regulations or Contractual Obligations applicable to it or fail to obtain or comply with any material Permits.

SECTION 9
MISCELLANEOUS

a) **Notices**. Any and all notices or other communications or deliveries to be provided by the Holder hereunder, including any Notice of Conversion, shall be in writing and delivered as set forth in the Purchase Agreement or, alternatively, delivered personally, by email or facsimile, or sent by a nationally recognized overnight courier service, addressed to the Company as set forth in the signature page hereof, or such other contact information as the Company may specify for such purposes by notice to the Holder delivered in accordance with this **Section 9(a)**. All notices and other communications delivered hereunder shall be effective as provided in the Purchase Agreement.

b) **Absolute Obligation**. Except as expressly provided herein, no provision of this Note shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, liquidated damages and accrued interest, as applicable, on this Note, without set off or counterclaim, at the time, place, and rate, and in the coin or currency, herein prescribed. This Note is a direct debt obligation of the Company. Except for the Company's obligations to CoreFund, this Note ranks **pari passu** with all other Notes now or hereafter issued under the terms set forth herein and is at leas**pari passu** with all Indebtedness and other obligations of the Company, and is not subordinated to any such Indebtedness or other obligation.

c) **Lost or Mutilated Note**. If this Note shall be mutilated, lost, stolen or destroyed, the Company shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Note, or in lieu of or in substitution for a lost, stolen or destroyed Note, a new Note for the principal amount of this Note so mutilated, lost, stolen or destroyed, but only upon receipt of evidence of such loss, theft or destruction of such Note, and of the ownership hereof, reasonably satisfactory to the Company.

d) **Governing Law**. This Note is governed by, and shall be construed and enforced in accordance with, the laws of the State of New York.

e) **Characterizations.** The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof).

f) **Payments on Next Business Day**. Whenever any payment Obligation shall be due on a day other than a Business Day, such payment shall be due instead on the next succeeding Business Day.

g) **Payment of Collection, Enforcement and Other Costs**. In addition to, and not in substitution for and not to limit (but without duplication), any other right to reimbursement under this Note or any other Transaction Document, (i) this Note is placed in the hands of an attorney for collection or enforcement or is collected or enforced through any Proceeding or the Holder otherwise takes action to collect amounts due under this Note or to enforce the provisions of this Note or (ii) there occurs any bankruptcy, reorganization, receivership of the Company or other Proceedings affecting Company creditors' rights and involving a claim under this Note, then the Company shall pay all out-of-pocket costs incurred by the Holder for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other Proceeding, including, but not limited to, attorneys' fees and disbursements.

h) **Use of Proceeds**. All gross proceeds of the funding to the Company related to this Note shall be used as provided in the Purchase Agreement.

i) **Securities Laws Disclosure; Publicity**. The Company shall file its Super 8-K by no later than four Business Days after the Original Issue Date The Company shall, within four (4) Business Days, file a Current Report on Form 8-K, including the Merger Transaction Documents as exhibits thereto, with the Commission. From and after the issuance of such press release, the Company represents to the Purchasers that it shall have publicly disclosed all material, non-public information delivered to any of the Purchasers by the Company or any of its Subsidiaries, or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by the Merger Transaction Documents. In addition, the Company acknowledges and agrees that no confidentiality or similar obligations under any agreement, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, affiliates, employees or agents, on the one hand, and any of the Purchasers or any of their affiliates, on the other hand, have been entered into. Except for the obligations set forth in this Section, there are no confidentiality or similar obligations pertaining the Purchasers currently extant or at any time in the future. Notwithstanding the foregoing, the Company shall not publicly disclose the name of the Holder, or include the name of the Holder in any filing with the Commission or any regulatory agency or Trading Market, without the prior written consent of the Holder, except (i) as required by federal securities Regulations in connection with the filing of final Transaction Documents with the Commission and (ii) to the extent such disclosure is required by law or Trading Market regulations, in which case the Company shall provide the Holder with prior notice of such disclosure permitted under this clause (ii).

j) **Non-Public Information**. Except with respect to the material terms and conditions of the transactions contemplated by the Merger Transaction Documents, which shall be disclosed pursuant to **Section 7(i)**, the Company covenants and agrees that neither it, nor any other Person acting on its behalf has provided nor will provide the Holder or its agents or counsel with any information that constitutes, or the Company reasonably believes constitutes, material non-public information, unless prior thereto the Holder shall have consented to the receipt of such information and agreed with the Company to keep such information confidential. The Company understands and confirms that the Holder will be relying on the foregoing covenant in effecting transactions in Securities of the Company. Any non-disclosure agreement (including "click through" agreements and confidentiality clauses incorporated in larger agreements) entered into with the Holder and any Company Party is hereby terminated. The Holder does not have any duty of confidentiality (or a duty not to trade on the basis of material non-public information) to any Company Party or any of their Affiliates, or any of their respective officers, directors, agents, members, stockholders, managers, employees and is governed only by application Regulations. To the extent that any notice provided pursuant to any Transaction Document constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, the Company shall, within two (2) Trading Days, file such notice with the Commission pursuant to a Current Report on Form 8-K or take such other action as reasonably determined by the Holder to disseminate such material, non-public information to the marketplace.. The Company understands and confirms that the Holder shall be relying on all of the foregoing covenants in trading Securities of the Company.

k) **Interpretation.** This Note is a Transaction Document and as such is subject to various interpretative, amendment and third party beneficiary and other miscellaneous provisions set forth in the Purchase Agreement that expressly apply to Transaction Documents, located principally in **Article V** thereof. In particular, without limitation, none of the terms or provisions of this Note may be waived, amended, supplemented or otherwise modified except in accordance with **Section 5.3(b)** (Amendments) of the Purchase Agreement. In addition, unless otherwise expressly provided in any Transaction Document, "**outstanding**" when referring in any Transaction Document to the principal amount owing under this Note shall mean "**outstanding and unconverted**."

l) **Successors and Assigns**. This Note shall be binding upon the successors and assigns of the Company and shall inure to the benefit of the Holder, each Purchaser Party and their successors and assigns; **provided,** that the Company may not assign, transfer or delegate any of its rights or obligations under this Note except as authorized in the Purchase Agreement.

m) **Counterparts**. This Note may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Note by facsimile transmission or by e-mail shall be as effective as delivery of a manually executed counterpart hereof.

n) **Severability**. Any provision of this Note being held illegal, invalid or unenforceable in any jurisdiction shall not affect any part of such provision not held illegal, invalid or unenforceable, any other provision of this Note or any part of such provision in any other jurisdiction.

o) **Waiver of Jury Trial. Each party hereto hereby irrevocably waives trial by jury in any Proceeding with respect to, or directly or indirectly arising out of, under or in connection with, this Note or any other Transaction Document or the transactions contemplated therein or related thereto (whether founded in contract, tort or any other theory).** Each party hereto (A) certifies that no other party, no Purchaser Party and no Affiliate or representative of any such other party or Affiliate has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (B) acknowledges that it and the other parties hereto have been induced to enter into this Note by the mutual waivers and certifications in this Section 9(o).

p) **This Note shall be deemed an unconditional obligation of the Company for the payment of money and, without limitation to any other remedies of the Holder, may be enforced against the Company by summary proceeding pursuant to New York Civil Procedure Law and Rules Section 3213 or any similar rule or statute in the jurisdiction where enforcement is sought. For purposes of such rule or statute, any other document or agreement to which the Holder and the Company are parties or which the Company delivered to the Holder, which may be convenient or necessary to determine the Holder's rights hereunder or the Company's obligations to the Holder are deemed a part of this Note, whether or not such other document or agreement was delivered together herewith or was executed apart from this Note.**

q) **Security Interest/Waiver of Automatic Stay**. This Note is secured by a security interest granted to the Holder pursuant to the Security Agreement, as delivered by the Company to Holder. The Company acknowledges and agrees that should a proceeding under any bankruptcy or insolvency law be commenced by or against the Company or a Subsidiary, or if any of the Collateral (as defined in the Security Agreement) should become the subject of any bankruptcy or insolvency proceeding, then the Holder should be entitled to, among other relief to which the Holder may be entitled under the Transaction Documents and/or applicable law, an order from the court granting immediate relief from the automatic stay pursuant to 11 U.S.C. Section 362 to permit the Holder to exercise all of its rights and remedies pursuant to the Transaction Documents and/or applicable law. THE COMPANY EXPRESSLY WAIVES THE BENEFIT OF THE AUTOMATIC STAY IMPOSED BY 11 U.S.C. SECTION 362. FURTHERMORE, THE COMPANY EXPRESSLY ACKNOWLEDGES AND AGREES THAT NEITHER 11 U.S.C. SECTION 362 NOR ANY OTHER SECTION OF THE BANKRUPTCY CODE OR OTHER STATUTE OR RULE (INCLUDING, WITHOUT LIMITATION, 11 U.S.C. SECTION 105) SHALL STAY, INTERDICT, CONDITION, REDUCE OR INHIBIT IN ANY WAY THE ABILITY OF THE HOLDER TO ENFORCE ANY OF ITS RIGHTS AND REMEDIES UNDER THE TRANSACTION DOCUMENTS AND/OR APPLICABLE LAW. The Company hereby consents to any motion for relief from stay that may be filed by the Holder in any bankruptcy or insolvency proceeding initiated by or against the Company and, further, agrees not to file any opposition to any motion for relief from stay filed by the Holder. The Company represents, acknowledges and agrees that this provision is a specific and material aspect of the Transaction Documents, and that the Holder would not agree to the terms of this Note and the other Transaction Documents if this waiver were not a part of this Note. The Company further represents, acknowledges and agrees that is waiver is knowingly, intelligently and voluntarily made, that neither the Holder nor any person acting on behalf of the Holder has made any representations to induce this waiver, that the Company has been represented (or has had the opportunity to by represented) in the signing of this Note and the Transaction Documents and in the making of this waiver by independent legal counsel selected by the Company and that the Company has discussed this waiver with counsel.

r) **Equitable Adjustment**. Trading volume amounts, price/volume amounts, the amount of Warrants, the amount of shares of Common Stock identified in the Purchase Agreement, Conversion Price, Exercise Price, shares of Common Stock underlying the Notes and the Warrants, and similar figures in the Transaction Documents shall be equitably adjusted (but without duplication) to offset the effect of stock splits, similar events and as otherwise described in the Purchase Agreement, Notes and Warrants

s) **Agreement to Subordinate**. Each of the Company and the Holder acknowledges and agrees that the rights and obligations of the parties hereunder are second and subordinate to the rights of Corefund Capital, LLC (together with its successors and assigns, the "**Senior Lender**") under its various factoring agreements and ancillary documents (collectively, as amended or otherwise modified, the "**Senior Lender Agreements**").

[Signature Pages Follow]

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed by a duly authorized officer as of the date first above indicated.

INNOCAP, INC.
By: _____
Name:
Title:
Address:

Email Address for delivery of Notices:

ANNEX A

NOTICE OF CONVERSION

The undersigned hereby elects to convert principal under the 10% Secured Subordinated Convertible Promissory Note, due October 6, 2021 of Innocap, Inc.., a Nevada corporation (the "**Company**"), into shares of common stock, $0.001 par value per share (the "**Common Stock**"), of the Company according to the conditions hereof, as of the date written below. If shares of Common Stock are to be issued in the name of a person other than the undersigned, the undersigned 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.

By the delivery of this Notice of Conversion the undersigned represents and warrants to the Company that its ownership of the Common Stock does not exceed the amounts specified under Section 4 of this Note, as determined in accordance with Section 13(d) of the Exchange Act.

The undersigned agrees to comply with the prospectus delivery requirements under the applicable securities laws in connection with any transfer of the aforesaid shares of Common Stock.

Conversion calculations:

Date to Effect Conversion:

Principal Amount of Note to be Converted:

Payment of Interest in Common Stock [ ] yes [ ] no

If yes, $_____ of Interest Accrued on Account of Conversion at Issue.

Number of shares of Common Stock to be issued:

Signature:

Name:

Delivery Instructions:

ANNEX B

ACKNOWLEDGMENT OF CONVERSION

The Company hereby (a) acknowledges this Notice of Conversion, (b) certifies that the above indicated number of shares of Common Stock [are][are not] eligible to be resold by the Holder either (i) pursuant to Rule 144 (subject to the Holder's execution and delivery to the Company of a customary Ru;e 144 representation letter) or (ii) an effective and available registration statement covering such shares of Common Stock and (c) hereby directs _____ to issue the above indicated number of shares of Common Stock in accordance with the Transfer Agent Instructions dated _____, 20__ from the Company and acknowledged and agreed to by _____.

INNOCAP, INC.

By: _____
Name:
Title:

SCHEDULE 1

CONVERSION SCHEDULE

This Conversion Schedule is part of, and reflects conversions made under Section 4 of, the 10% Secured Subordinated Convertible Promissory Note, due on October 6, 2021, in the original principal amount of $1,111,000 issued by Innocap, Inc., a Nevada corporation.

Dated:

Date of Conversion (or for first entry, Original Issue Date)	Amount of Conversion	Aggregate Principal Amount Remaining Subsequent to Conversion (or original Principal Amount)	Company Attest

SCHEDULE 6(a)

OPTIONAL REDEMPTION AMOUNT

Subject to compliance with Section 6(a), the Company may redeem any portion of the principal amount of this Note, any accrued and unpaid interest, and any other amounts due under this Note in accordance with the following formulae: if the Company exercises its right to redeem the Note, the Company shall make payment to the Holder of (i) an amount in cash equal to the product of (x) the sum of the principal amount of this Note and any accrued and unpaid interest and (y) 110%, if such voluntary redemption occurs on or before December 5, 2020[1], (ii) an amount in cash equal to the product of (x) the sum of the principal amount of this Note and any accrued and unpaid interest and (y) 115%, if such voluntary prepayment occurs after December 5, 2020 and before January 4, 2021[2], (iii) an amount in cash equal to the product of (x) the sum of the principal amount of this Note and any accrued and unpaid interest and (y) 120%, if such voluntary prepayment occurs after January 4, 2021 and before February 3, 2021[3], (iv) an amount in cash equal to the product of (x) the sum of the principal amount of this Note and any accrued and unpaid interest and (y) 125%, if such voluntary prepayment occurs after February 3, 2021 and before March 5, 2021[4], (v) an amount in cash equal to the product of (x) the sum of the principal amount of this Note and any accrued and unpaid interest and (y) 130%, if such voluntary prepayment occurs after March 5, 2021 and before April 4, 2021[5], and (vi) an amount in cash equal to the product of (x) the sum of the principal amount of this Note and any accrued and unpaid interest and (y) 135%, if such voluntary prepayment occurs after April 4, 2021[6] and before the Maturity Date.

1. NTD: within 60 days after the Original Issue Date
2. NTD: between the 61st day and the 90th day after the Original Issue Date.
3. NTD: between the 91st day and the 120th day after the Original Issue Date.
4. NTD: between the 91st day and the 120th day after the Original Issue Date.
5. NTD: between the 151st day and the 180th day after the Original Issue Date.
6. NTD: after the 180st day after the Original Issue Date.

EXECUTION COPY

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES. THE NUMBER OF SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE OF THIS WARRANT MAY BE LESS THAN THE AMOUNTS SET FORTH ON THE FACE HEREOF PURSUANT TO SECTION 1(a) OF THIS WARRANT.

INNOCAP, INC.

WARRANT TO PURCHASE SHARES OF COMMON STOCK

Warrant No.: A1

Date of Issuance: October 7, 2020 ("Issuance Date")

Innocap, Inc., a company organized under the laws of the State of Nevada (the "**Company**"), hereby certifies that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Trillium Partners LP, the registered holder hereof or its permitted assigns (the "**Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company, at the Exercise Price (as defined below) then in effect, upon exercise of this warrant to purchase shares of Common Stock (including any warrants to purchase shares of Common Stock issued in exchange, transfer or replacement hereof, the "**Warrant**"), at any time or times on or after the Issuance Date, but not after 11:59 p.m., New York time, on the Expiration Date (as defined below), 570,478,452](subject to adjustment as provided herein) fully paid and non-assessable shares of Common Stock (as defined below) (the "**Warrant Shares**"). Except as otherwise defined herein, capitalized terms in this Warrant shall have the meanings set forth in **Section 18**. This Warrant is being issued pursuant to **Section 2.3** of that certain Securities Purchase Agreement, dated as of October 7, 2020 (the "**Subscription Date**"), by and among the Company and the investor referred to therein and the other purchasers signatory thereto (collectively, the "**Purchasers**"), as amended from time to time (the "**Purchase Agreement**").

1. Exercise of Warrant.

(a) **Mechanics of Exercise**. Subject to the terms and conditions hereof (including, without limitation, the limitations set forth in **Section 1(g)**) and subject to Section 4.10(a) of the Purchase Agreement, this Warrant may be exercised by the Holder on any day on or after the Issuance Date (an "**Exercise Date**"), in whole or in part, by delivery (whether via facsimile or otherwise) of a written notice, in the form attached hereto as **Exhibit A** (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant. Within one (1) Trading Day following an exercise of this Warrant as aforesaid, the Holder shall deliver payment to the Company of an amount equal to the Exercise Price in effect on the date of such exercise multiplied by the number of Warrant Shares as to which this Warrant was so exercised (the "**Aggregate Exercise Price**") in cash or via wire transfer of immediately available funds. The Holder shall not be required to deliver the original of this Warrant in order to effect an exercise hereunder. Execution and delivery of an Exercise Notice with respect to less than all of the Warrant Shares shall have the same effect as cancellation of the original of this Warrant and issuance of a new Warrant evidencing the right to purchase the remaining number of Warrant Shares. Execution and delivery of an Exercise Notice for all of the then-remaining Warrant Shares shall have the same effect as cancellation of the original of this Warrant after delivery of the Warrant Shares in accordance with the terms hereof. On or before the second (2^{nd}) Trading Day following the date on which the Company has received an Exercise Notice, the Company shall transmit by facsimile or electronic mail an acknowledgment of confirmation of receipt of such Exercise Notice, in the form attached hereto as **Exhibit B**, to the Holder and the Company's transfer agent (the "**Transfer Agent**"), which confirmation shall constitute an instruction to the Transfer Agent to process such Exercise Notice in accordance with the terms herein. On or before the second (2^{nd}) Trading Day following the date on which the Company has received such Exercise Notice (or such earlier date as required pursuant to the 1934 Act or other applicable law, rule or regulation for the settlement of a trade of such Warrant Shares initiated on the applicable Exercise Date) (the "**Share Delivery Date**"), the Company shall (X) provided that the Transfer Agent is participating in the Depository Trust Company ("**DTC**") Fast Automated Securities Transfer Program, upon the request of the Holder, credit such aggregate number of shares of Common Stock to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with DTC through its Deposit/Withdrawal at Custodian system, or (Y) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program, upon the request of the Holder, issue and deliver (via reputable overnight courier) to the address as specified in the Exercise Notice, a certificate, registered in the name of the Holder or its designee, for the number of shares of Common Stock to which the Holder shall be entitled pursuant to such exercise. Upon delivery of an Exercise Notice, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date such Warrant Shares are credited to the Holder's DTC account or the date of delivery of the certificates evidencing such Warrant Shares (as the case may be). If this Warrant is submitted in connection with any exercise pursuant to this **Section 1(a)** and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the number of Warrant Shares being acquired upon an exercise and upon surrender of this Warrant to the Company by the Holder, then, at the request of the Holder, the Company shall as soon as practicable and in no event later than two (2) Business Days after any exercise and at its own expense, issue and deliver to the Holder (or its designee) a new Warrant (in accordance with **Section 7(d)**) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised. No fractional shares of Common Stock are to be issued upon the exercise of this Warrant, but rather the number of shares of Common Stock to be issued shall be rounded up to the nearest whole number. The Company shall pay any and all stamp, issuance and similar taxes, costs and expenses (including, without limitation, fees and expenses of the Transfer Agent) that may be payable with respect to the issuance and delivery of Warrant Shares upon exercise of this Warrant. Notwithstanding the foregoing, the Company's failure to deliver Warrant Shares to the Holder on or prior to the later of ((i) two (2) Trading Days after receipt of the applicable Exercise Notice (or such earlier date as required pursuant to the 1934 Act or other applicable law, rule or regulation for the settlement of a trade of such Warrant Shares initiated on the applicable Exercise Date) and (ii) two (2) Trading Days after the Company's receipt of the Aggregate Exercise Price shall not be deemed to be a breach of this Warrant. Notwithstanding anything to the contrary contained in this Warrant or the Registration Rights Agreement, promptly after the effective date of the Registration Statement (as defined in the Registration Rights Agreement), the Company shall cause the Transfer Agent to deliver unlegended shares of Common Stock to the Holder (or its designee) in connection with any sale of Registrable Securities (as defined in the Registration Rights Agreement) with respect to which the Holder has entered into a contract for sale, and delivered a copy of the prospectus included as part of the particular Registration Statement to the extent applicable, and for which the Holder has not yet settled. From the Issuance Date through and including the Expiration Date, the Company shall maintain a transfer agent that participates in the DTC's Fast Automated Securities Transfer Program. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to an Exercise Notice by the Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Stock on the date of the applicable Exercise Notice), $10 per day for each of the first thirty (30) days of such failure (increasing to two percent (2%) of such applicable aggregate amount for each day after the first thirty (30) days of such failure) until such Warrant Shares are delivered or Holder rescinds such exercise. Nothing herein shall limit a Holder's right to pursue actual damages for the Company's failure to deliver Warrant Shares within the period specified herein and the Holder shall have the right to pursue all remedies available to it hereunder, at law or in equity including a decree of specific performance and/or injunctive relief. The exercise of any such rights shall not prohibit the Holder from seeking to enforce damages pursuant to any other Section hereof or under applicable Regulations (as defined in the Purchase Agreement).

(b) **Exercise Price**. For purposes of this Warrant, the "**Exercise Price**" shall be equal to $0.001946, subject to adjustment herein (the "**Exercise Price**"); **provided**, **however**, that in no instance shall the Holder be entitled to at a price lower than $0.001946 (the "**Floor Price**") and in no instance shall the Holder be entitled to exercise this Warrant into such an amount of Common Stock that, together with all shares of Common Stock which have been previously exercised by the Holder, would equal greater than 8.546 % of the total issued and outstanding shares of Common Stock of the Company, subject to adjustment as provided herein, including, but not limited to, adjustments for any stock split, stock combination, reclassification or similar transaction that proportionately decreases or increases the Common Stock during such measuring period. The Exercise Price shall be rounded down to the nearest $0.0001 and in no event lower than 0.001946. For the avoidance of doubt, the Company and the Holder agree that the per share price of $0.001946 equates to a $13,000,000 valuation of the Company.

(c) **Company's Failure to Timely Deliver Securities**. Upon the occurrence of the earliest of the following: (I) the six (6)-month anniversary of the Closing Date (as defined in the Purchase Agreement), whether or not a Registration Statement covering the resale of the Warrant has been filed with the SEC, (II) the actual Effectiveness Date of the Registration Statement (as defined in the Registration Rights Agreement, or (III) if the Company shall fail, for any reason or for no reason, on or prior to the Share Delivery Date, either (A) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program, to issue and deliver to the Holder (or its designee) a certificate for the number of Warrant Shares to which the Holder is entitled and register such Warrant Shares on the Company's share register or, if the Transfer Agent is participating in the DTC Fast Automated Securities Transfer Program, to credit the balance account of the Holder or the Holder's designee with DTC for such number of Warrant Shares to which the Holder is entitled upon the Holder's exercise of this Warrant (as the case may be) or (B) if a Registration Statement covering the resale of the Warrant Shares that are the subject of the Exercise Notice (the "**Unavailable Warrant Shares**") is not available for the resale of such Unavailable Warrant Shares and the Company fails to promptly, but in no event later than as required pursuant to the Registration Rights Agreement (x) so notify the Holder and (y) deliver the Warrant Shares electronically without any restrictive legend by crediting such aggregate number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with DTC through its Deposit/Withdrawal At Custodian system (the event described in the immediately foregoing clause (II)(B) is hereinafter referred as a "**Notice Failure**" and together with the events described in clauses (I) and (II)(A) above, a '**Delivery Failure**"), and if on or after such Share Delivery Date the Holder purchases (in an open market transaction or otherwise) shares of Common Stock corresponding to all or any portion of the number of shares of Common Stock issuable upon such exercise that the Holder is entitled to receive from the Company and has not received from the Company in connection with such Delivery Failure or Notice Failure, as applicable (a "**Buy-In**"), then, in addition to all other remedies available to the Holder, the Company shall, within two (2) Business Days after the Holder's request and in the Holder's discretion, either (i) pay cash to the Holder in an amount equal to the Holder's total purchase price (including reasonable brokerage commissions) for the shares of Common Stock so purchased (including, without limitation, by any other Person in respect, or on behalf, of the Holder) (the "**Buy-In Price**"), at which point the Company's obligation to so issue and deliver such certificate (and to issue such shares of Common Stock) or credit the balance account of such Holder or such Holder's designee, as applicable, with DTC for the number of Warrant Shares to which the Holder is entitled upon the Holder's exercise hereunder (as the case may be) (and to issue such Warrant Shares) shall terminate, or (ii) promptly honor its obligation to so issue and deliver to the Holder a certificate or certificates representing such Warrant Shares or credit the balance account of such Holder or such Holder's designee, as applicable, with DTC for the number of Warrant Shares to which the Holder is entitled upon the Holder's exercise hereunder (as the case may be) 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 Warrant Shares multiplied by (Y) the lowest Closing Sale Price of the shares of Common Stock on any Trading Day during the period commencing on the date of the applicable Exercise Notice and ending on the date of such issuance and payment under this clause (ii) (the "**Buy-In Payment Amount**"). Nothing shall limit the Holder's right to pursue any other remedies available to it hereunder, at law or in equity, including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Common Stock (or to electronically deliver such shares of Common Stock) upon the exercise of this Warrant as required pursuant to the terms hereof. While this Warrant is outstanding, the Company shall cause its Transfer Agent to participate in the DTC Fast Automated Securities Transfer Program. In addition to the foregoing rights, at any time after the Issuance Date if the Company fails to deliver the applicable number of Warrant Shares upon an exercise pursuant to **Section 1** by the applicable Share Delivery Date, then the Holder shall have the right to rescind such exercise in whole or in part and retain and/or have the Company return, as the case may be, any portion of this Warrant that has not been exercised pursuant to such Exercise Notice; provided that the rescission of an exercise shall not affect the Company's obligation to make any payments that have accrued prior to the date of such notice pursuant to this **Section 1(c)** or otherwise, and (3) if a Registration Statement covering the issuance or resale of the Warrant Shares that are subject to an Exercise Notice is not available for the issuance or resale, as applicable, of such Exercise Notice Warrant Shares and the Holder has submitted an Exercise Notice prior to receiving notice of the non-availability of such Registration Statement and the Company has not already delivered the Warrant Shares underlying such Exercise Notice electronically without any restrictive legend by crediting such aggregate number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with DTC through its Deposit / Withdrawal At Custodian system, the Holder shall have the option, by delivery of notice to the Company, to (x) rescind such Exercise Notice in whole or in part and retain or have returned, as the case may be, any portion of this Warrant that has not been exercised pursuant to such Exercise Notice; provided that the rescission of an Exercise Notice shall not affect the Company's obligation to make any payments that have accrued prior to the date of such notice pursuant to this **Section 1(c)** or otherwise.

(d) **Cashless Exercise**. [Reserved].

(e) **Holding Period**. [Reserved].

(f) **Disputes**. In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the number of Warrant Shares to be issued pursuant to the terms hereof, the Company shall promptly issue to the Holder the number of Warrant Shares that are not disputed and resolve such dispute in accordance with **Section 13**.

(g) **Limitations on Exercises**.

(i) **Beneficial Ownership**. The Company shall not effect the exercise of any portion of this Warrant, and the Holder shall not have the right to exercise any portion of this Warrant, pursuant to the terms and conditions of this Warrant and any such exercise shall be null and void and treated as if never made, to the extent that after giving effect to such exercise, the Holder together with the other Attribution Parties collectively would beneficially own in excess of 9.99% (the "**Maximum Percentage**") of the shares of Common Stock outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by the Holder and the other Attribution Parties shall include the number of shares of Common Stock held by the Holder and all other Attribution Parties plus the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which the determination of such sentence is being made, but shall exclude shares of Common Stock which would be issuable upon (A) exercise of the remaining, unexercised portion of this Warrant beneficially owned by the Holder or any of the other Attribution Parties and (B) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company (including, without limitation, any convertible notes or convertible preferred stock or warrants) beneficially owned by the Holder or any other Attribution Party subject to a limitation on conversion or exercise analogous to the limitation contained in this **Section 1(g)(i)**. For purposes of this **Section 1(g)(i)**, beneficial ownership shall be calculated in accordance with Section 13(d) of the 1934 Act. For purposes of determining the number of outstanding shares of Common Stock the Holder may acquire upon the exercise of this Warrant without exceeding the Maximum Percentage, the Holder may, if and as applicable, rely on the number of outstanding shares of Common Stock as reflected in (x) the Company's most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K or other public filing with the SEC or information provided by the Company, as the case may be, (y) a more recent public announcement by the Company or (z) any other written notice by the Company or the Transfer Agent, if any, setting forth the number of shares of Common Stock outstanding (the "**Reported Outstanding Share Number**"). If the Company receives an Exercise Notice from the Holder at a time when the actual number of outstanding of shares of Common Stock is less than the Reported Outstanding Share Number, the Company shall (i) notify the Holder in writing of the number of shares of Common Stock then outstanding and, to the extent that such Exercise Notice would otherwise cause the Holder's beneficial ownership, as determined pursuant to this **Section 1(g)(i)**, to exceed the Maximum Percentage, the Holder must notify the Company of a reduced number of Warrant Shares to be acquired pursuant to such Exercise Notice (the number of shares by which such purchase is reduced, the "**Reduction Shares**") and (ii) as soon as reasonably practicable, the Company shall return to the Holder any exercise price paid by the Holder for the Reduction Shares. For any reason at any time, upon the written or oral request of the Holder, the Company shall within one (1) Business Day confirm orally and in writing or by electronic mail to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder and any other Attribution Party since the date as of which the Reported Outstanding Share Number was reported. In the event that the issuance of shares of Common Stock to the Holder upon exercise of this Warrant results in the Holder and the other Attribution Parties being deemed to beneficially own, in the aggregate, more than the Maximum Percentage of the number of outstanding shares of Common Stock (as determined under Section 13(d) of the 1934 Act), the number of shares so issued by which the Holder's and the other Attribution Parties' aggregate beneficial ownership exceeds the Maximum Percentage (the "**Excess Shares**") shall be deemed null and void and shall be cancelled ab initio, and the Holder shall not have the power to vote or to transfer the Excess Shares. As soon as reasonably practicable after the issuance of the Excess Shares has been deemed null and void, the Company shall return to the Holder the exercise price paid by the Holder for the Excess Shares. Upon delivery of a written notice to the Company, the Holder may from time to time decrease or subsequently increase (with such increase not effective until the sixty-first (61^{st}) day after delivery of such notice) the Maximum Percentage to any other percentage not in excess of 9.99% as specified in such notice; provided that (i) any such increase in the Maximum Percentage will not be effective until the sixty-first (61^{st}) day after such notice is delivered to the Company and (ii) any such increase or decrease will apply only to the Holder and the other Attribution Parties. For purposes of clarity, the shares of Common Stock issuable pursuant to the terms of this Warrant in excess of the Maximum Percentage shall not be deemed to be beneficially owned by the Holder for any purpose including for purposes of Section 13(d) or Rule 16a-1(a)(1) of the 1934 Act. No prior inability to exercise this Warrant pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of exercisability. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this **Section 1(g)(i)** to the extent necessary to correct this paragraph or any portion of this paragraph which may be defective or inconsistent with the intended beneficial ownership limitation contained in this **Section 1(g)(i)** or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitation contained in this paragraph may not be waived and shall apply to a successor holder of this Warrant.

(ii) **[Reserved]**

(h) **Reservation of Shares**.

(i) **Required Reserve Amount**. Subject to Section 4.10(a) of the Purchase Agreement, so long as this Warrant remains outstanding, the Company shall at all times keep reserved for issuance under this Warrant a number of shares of Common Stock at least equal to two hundred percent (200% of the maximum number of shares of Common Stock as shall be necessary to satisfy the Company's obligation to issue shares of Common Stock under the Warrant then outstanding (without regard to any limitations on exercise) (the "**Required Reserve Amount**"); provided that at no time shall the number of shares of Common Stock reserved pursuant to this **Section 1(h)(i)** be reduced other than proportionally in connection with any exercise of the Warrant or such other event covered by **Section 2(a)** below. The Required Reserve Amount (including, without limitation, each increase in the number of shares so reserved) shall be based on the number of shares of Common Stock issuable upon exercise of all Warrants issued pursuant to the Purchase Agreement, including this Warrant, and held by the Purchasers on the Closing Date (without regard to any limitations on exercise) or increase in the number of reserved shares, as the case may be. In the event that a holder shall sell or otherwise transfer all or any portion of such holder's Warrant, such Required Reserve Amount requirement shall continue to apply to the number of shares of Common Stock into which such Warrant held by each transferee is exercisable.

(ii) **Insufficient Authorized Shares**. If, notwithstanding **Section 1(h)(i)**, and not in limitation thereof, at any time while the Warrant remains outstanding, the Company does not have a sufficient number of authorized and unreserved shares of Common Stock to satisfy its obligation to reserve the Required Reserve Amount (an "**Authorized Share Failure**"), then the Company shall immediately take all action necessary to increase the Company's authorized shares of Common Stock to an amount sufficient to allow the Company to reserve the Required Reserve Amount for such outstanding Warrant. Without limiting the generality of the foregoing sentence, as soon as practicable after the date of the occurrence of an Authorized Share Failure, but in no event later than sixty (60) days after the occurrence of such Authorized Share Failure, the Company shall hold a meeting of its stockholders for the approval of an increase in the number of authorized shares of Common Stock. In connection with such meeting, the Company shall provide each stockholder with a proxy statement in accordance with applicable Federal and state securities laws and shall use its best efforts to solicit its stockholders' approval of such increase in authorized shares of Common Stock and to cause its board of directors to recommend to the stockholders that they approve such proposal. Subject to Section 4.10(a) of the Purchase Agreement, in the event that the Company is prohibited from issuing shares of Common Stock upon an exercise of this Warrant due to the failure by the Company to have sufficient shares of Common Stock available out of the authorized but unissued shares of Common Stock (such unavailable number of shares of Common Stock, the "**Authorization Failure Shares**"), in lieu of delivering such Authorization Failure Shares to the Holder, the Company shall pay cash in exchange for the cancellation of such portion of this Warrant exercisable into such Authorization Failure Shares at a price equal to the sum of (i) the product of (x) such number of Authorization Failure Shares and (y) the greatest Closing Sale Price of the shares of Common Stock on any Trading Day during the period commencing on the date the Holder delivers the applicable Exercise Notice with respect to such Authorization Failure Shares to the Company and ending on the date of such issuance and payment under this **Section 1(h)**; and (ii) to the extent the Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Holder of Authorization Failure Shares, any Buy-In Payment Amount, brokerage commissions and other out-of-pocket expenses, if any, of the Holder incurred in connection therewith. Nothing contained in this **Section 1(h)** shall limit any obligations of the Company under any provision of the Purchase Agreement. Nothing contained in this **Section 1(h)** shall limit any obligations of the Company under any provision of the Purchase Agreement.

2. **Adjustment of Exercise Price and Number of Warrant Shares**. The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this **Section 2**.

(a) **Stock Dividends and Splits**. Without limiting any provision of **Section 2(b)**, **Section 3** or **Section 4**, if the Company, at any time on or after the Subscription Date, (i) pays a stock dividend on one or more classes of its then outstanding shares of Common Stock or otherwise makes a distribution on any class of its Capital Stock (as defined in the Purchase Agreement) that is payable in shares of Common Stock, (ii) subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its then outstanding shares of Common Stock into a larger number of shares or (iii) combines (by combination, reverse stock split or otherwise) one or more classes of its then outstanding shares of Common Stock into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock outstanding immediately before such event and of which 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 the determination of stockholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this paragraph occurs during the period that an Exercise Price is calculated hereunder, then the calculation of such Exercise Price shall be adjusted appropriately to reflect such event.

(b) **Adjustment Upon Issuance of Shares of Common Stock**. So long as any of the Notes are outstanding, if and whenever on or after the Subscription Date, the Company issues or sells, or in accordance with this **Section 2** is deemed to have issued or sold, any shares of Common Stock (including the issuance or sale of shares of Common Stock owned or held by or for the account of the Company, but excluding any Excluded Securities issued or sold or deemed to have been issued or sold) for a consideration per share (the "**New Issuance Price**") less than a price equal to the Exercise Price in effect immediately prior to such issuance or sale or deemed issuance or sale (such Exercise Price then in effect is referred to herein as the "**Applicable Price**") (the foregoing a "**Dilutive Issuance**"), then immediately after such Dilutive Issuance, the Exercise Price then in effect shall be reduced to an amount equal to the New Issuance Price. For all purposes of the foregoing (including, without limitation, determining the adjusted Exercise Price and the New Issuance Price under this **Section 2(b)**), the following shall be applicable:

(i) **Issuance of Options**. If the Company in any manner grants or sells any Options and the lowest price per share for which one share of Common Stock is at any time issuable upon the exercise of any such Option or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option or otherwise pursuant to the terms thereof is less than the Applicable Price, then such share of Common Stock shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the granting or sale of such Option for such price per share. For purposes of this **Section 2(b)(i)**, the "lowest price per share for which one share of Common Stock is at any time issuable upon the exercise of any such Options or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option or otherwise pursuant to the terms thereof" shall be equal to (1) the lower of (x) the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to any one share of Common Stock upon the granting or sale of such Option, upon exercise of such Option and upon conversion, exercise or exchange of any Convertible Security issuable upon exercise of such Option or otherwise pursuant to the terms thereof and (y) the lowest exercise price set forth in such Option for which one share of Common Stock is issuable (or may become issuable assuming all possible market conditions) upon the exercise of any such Options or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option or otherwise pursuant to the terms thereof minus (2) the sum of all amounts paid or payable to the holder of such Option (or any other Person) upon the granting or sale of such Option, upon exercise of such Option and upon conversion, exercise or exchange of any Convertible Security issuable upon exercise of such Option or otherwise pursuant to the terms thereof plus the value of any other consideration received or receivable by, or benefit conferred on, the holder of such Option (or any other Person). Except as contemplated below, no further adjustment of the Exercise Price shall be made upon the actual issuance of such shares of Common Stock or of such Convertible Securities upon the exercise of such Options or otherwise pursuant to the terms of or upon the actual issuance of such shares of Common Stock upon conversion, exercise or exchange of such Convertible Securities.

(ii) **Issuance of Convertible Securities**. If the Company in any manner issues or sells any Convertible Securities and the lowest price per share for which one share of Common Stock is at any time issuable upon the conversion, exercise or exchange thereof or otherwise pursuant to the terms thereof is less than the Applicable Price, then such share of Common Stock shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the issuance or sale of such Convertible Securities for such price per share. For the purposes of this **Section 2(b)(ii)**, the "lowest price per share for which one share of Common Stock is at any time issuable upon the conversion, exercise or exchange thereof or otherwise pursuant to the terms thereof" shall be equal to (1) the lower of (x) the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to one share of Common Stock upon the issuance or sale of the Convertible Security and upon conversion, exercise or exchange of such Convertible Security or otherwise pursuant to the terms thereof and (y) the lowest conversion price set forth in such Convertible Security for which one share of Common Stock is issuable (or may become issuable assuming all possible market conditions) upon conversion, exercise or exchange thereof or otherwise pursuant to the terms thereof minus (2) the sum of all amounts paid or payable to the holder of such Convertible Security (or any other Person) upon the issuance or sale of such Convertible Security plus the value of any other consideration received or receivable by, or benefit conferred on, the holder of such Convertible Security (or any other Person). Except as contemplated below, no further adjustment of the Exercise Price shall be made upon the actual issuance of such shares of Common Stock upon conversion, exercise or exchange of such Convertible Securities or otherwise pursuant to the terms thereof, and if any such issuance or sale of such Convertible Securities is made upon exercise of any Options for which adjustment of this Warrant has been or is to be made pursuant to other provisions of this **Section 2(b)**, except as contemplated below, no further adjustment of the Exercise Price shall be made by reason of such issuance or sale.

(iii) **Change in Option Price or Rate of Conversion**. If the purchase or exercise price provided for in any Options, the additional consideration, if any, payable upon the issue, conversion, exercise or exchange of any Convertible Securities, or the rate at which any Convertible Securities are convertible into or exercisable or exchangeable for shares of Common Stock increases or decreases at any time (other than proportional changes in conversion or exercise prices, as applicable, in connection with an event referred to in **Section 2(a)**), the Exercise Price in effect at the time of such increase or decrease shall be adjusted to the Exercise Price which would have been in effect at such time had such Options or Convertible Securities provided for such increased or decreased purchase price, additional consideration or increased or decreased conversion rate, as the case may be, at the time initially granted, issued or sold. For purposes of this **Section 2(b)(iii)**, if the terms of any Option or Convertible Security that was outstanding as of the Subscription Date are increased or decreased in the manner described in the immediately preceding sentence, then such Option or Convertible Security and the shares of Common Stock deemed issuable upon exercise, conversion or exchange thereof shall be deemed to have been issued as of the date of such increase or decrease. No adjustment pursuant to this **Section 2(b)** shall be made if such adjustment would result in an increase of the Exercise Price then in effect.

(iv) **Calculation of Consideration Received**. If any Option and/or Convertible Security and/or Adjustment Right is issued in connection with the issuance or sale or deemed issuance or sale of any other securities of the Company (as determined by the Holder, the "**Primary Security**," and such Option and/or Convertible Security and/or Adjustment Right, the "**Secondary Securities**"), together comprising one integrated transaction, (or one or more transactions if such issuances or sales or deemed issuances or sales of securities of the Company either (A) have at least one investor or purchaser in common, (B) are consummated in reasonable proximity to each other and/or (C) are consummated under the same plan of financing) the aggregate consideration per share of Common Stock with respect to such Primary Security shall be deemed to be equal to the difference of (x) the lowest price per share for which one share of Common Stock was issued (or was deemed to be issued pursuant to **Section 2(b)(i)** or **2(b)(ii)** above, as applicable) in such integrated transaction solely with respect to such Primary Security, minus (y) with respect to such Secondary Securities, the sum of (I) the Black Scholes Consideration Value of each such Option, if any, (II) the fair market value (as determined by the Holder in good faith) or the Black Scholes Consideration Value, as applicable, of such Adjustment Right, if any, and (III) the fair market value (as determined by the Holder) of such Convertible Security, if any, in each case, as determined on a per share basis in accordance with this **Section 2(b)(iv)**. If any shares of Common Stock, Options or Convertible Securities are issued or sold or deemed to have been issued or sold for cash, the consideration received therefor (for the purpose of determining the consideration paid for such shares of Common Stock, Option or Convertible Security, but not for the purpose of the calculation of the Black Scholes Consideration Value) will be deemed to be the net amount of consideration received by the Company therefor. If any shares of Common Stock, Options or Convertible Securities are issued or sold for a consideration other than cash, the amount of such consideration received by the Company (for the purpose of determining the consideration paid for such shares of Common Stock, Option or Convertible Security, but not for the purpose of the calculation of the Black Scholes Consideration Value) will be the fair value of such consideration, except where such consideration consists of publicly traded securities, in which case the amount of consideration received by the Company for such securities will be the arithmetic average of the VWAPs of such security for each of the five (5) Trading Days immediately preceding the date of receipt. If any shares of Common Stock, Options or Convertible Securities are issued to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving entity, the amount of consideration therefor (for the purpose of determining the consideration paid for such shares of Common Stock, Option or Convertible Security, but not for the purpose of the calculation of the Black Scholes Consideration Value) will be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such shares of Common Stock, Options or Convertible Securities (as the case may be). The fair value of any consideration other than cash or publicly traded securities will be determined jointly by the Company and the Holder. If such parties are unable to reach agreement within ten (10) days after the occurrence of an event requiring valuation (the "**Valuation Event**"), the fair value of such consideration will be determined within five (5) Trading Days after the tenth (10^{th}) day following such Valuation Event by an independent, reputable appraiser jointly selected by the Company and the Holder. The determination of such appraiser shall be final and binding upon all parties absent manifest error and the fees and expenses of such appraiser shall be borne by the Company.

(v) **Record Date**. If the Company takes a record of the holders of shares of Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in shares of Common Stock, Options or in Convertible Securities or (B) to subscribe for or purchase shares of Common Stock, Options or Convertible Securities, then such record date will be deemed to be the date of the issuance or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase (as the case may be).

(vi) **Most Favored Nation Status**. [Reserved].

(c) **Number of Warrant Shares**. [Reserved].

(d) **Holder's Right of Alternative Exercise Price Following Issuance of Certain Options or Convertible Securities**. In addition to and not in limitation of the other provisions of this **Section 2**, if, at any time while any of the Notes remain outstanding, the Company in any manner issues or sells or enters into any agreement to issue or sell, any shares of Common Stock, Options or Convertible Securities (any such securities, "**Variable Price Securities**") after the Subscription Date that are issuable pursuant to such agreement or convertible into or exchangeable or exercisable for shares of Common Stock at a price which varies or may vary with the market price of the shares of Common Stock, including by way of one or more reset(s) to a fixed price, but exclusive of such formulations reflecting customary anti-dilution provisions (such as share splits, share combinations, share dividends and similar transactions) (each of the formulations for such variable price being herein referred to as, the "**Variable Price**"), the Company shall provide written notice thereof via facsimile and overnight courier to the Holder on the date of such agreement and the issuance of such Convertible Securities or Options. From and after the date the Company enters into such agreement or issues any such Variable Price Securities, the Holder shall have the right, but not the obligation, in its sole discretion to substitute the Variable Price for the Exercise Price upon exercise of this Warrant by designating in the Exercise Notice delivered upon any exercise of this Warrant that solely for purposes of such exercise the Holder is relying on the Variable Price rather than the Exercise Price then in effect. The Holder's election to rely on a Variable Price for a particular exercise of this Warrant shall not obligate the Holder to rely on a Variable Price for any future exercises of this Warrant.

(e) **[Reserved]**

(f) **Other Events**. In the event that the Company (or any Subsidiary (as defined in the Purchase Agreement)) shall take any action to which the provisions hereof are not strictly applicable, or, if applicable, would not operate to protect the Holder from dilution or if any event occurs of the type contemplated by the provisions of this **Section 2** but not expressly provided for by such provisions (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 determine and implement an appropriate adjustment in the Exercise Price and the number of Warrant Shares (if applicable) so as to protect the rights of the Holder, provided that no such adjustment pursuant to this **Section 2(f)** will increase the Exercise Price or decrease the number of Warrant Shares as otherwise determined pursuant to this **Section 2**, provided further that if the Holder does not accept such adjustments as appropriately protecting its interests hereunder against such dilution, then the Company's board of directors and the Holder shall agree, in good faith, upon an independent investment bank of nationally recognized standing to make such appropriate adjustments, whose determination shall be final and binding absent manifest error and whose fees and expenses shall be borne by the Company.

(g) **Calculations**. All calculations under this **Section 2** shall be made by rounding to the nearest cent or the nearest $1/100^{th}$ of a share, as applicable. 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, and the disposition of any such shares shall be considered an issuance or sale of shares of Common Stock.

(h) **Voluntary Adjustment by Company**. The Company may at any time during the term of this Warrant, with the prior written consent of the Purchasers, reduce the then current Exercise Price to any amount and for any period of time deemed appropriate by the board of directors of the Company.

(i) **Prohibition on Reverse Splits**. Except for the stock split contemplated by Section 4.10(a) of the Purchase Agreement, notwithstanding any other provision in this Warrant, for so long as the Notes are outstanding, the Company may not effect a reverse split of its Capital Stock without the prior written consent of the Purchasers.

3. **Rights Upon Distribution of Assets**. In addition to any adjustments pursuant to **Section 2** above, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property, options, evidence of indebtedness or any other assets by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations or restrictions on exercise of this Warrant, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, that to the extent that the Holder's right to participate in any such Distribution would result in the Holder and the other Attribution Parties exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Distribution to the extent of the Maximum Percentage (and shall not be entitled to beneficial ownership of such shares of Common Stock as a result of such Distribution (and beneficial ownership) to the extent of any such excess) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time or times, if ever, as its right thereto would not result in the Holder and the other Attribution Parties exceeding the Maximum Percentage, at which time or times the Holder shall be granted such Distribution (and any Distributions declared or made on such initial Distribution or on any subsequent Distribution held similarly in abeyance) to the same extent as if there had been no such limitation).

4. Purchase Rights; Fundamental Transactions.

(a) **Purchase Rights**. In addition to any adjustments pursuant to **Section 2** above, if at any time while the Notes are outstanding the Company grants, issues or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "**Purchase Rights**"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations or restrictions on exercise of this Warrant, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issuance or sale of such Purchase Rights (**provided, however**, that to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder and the other Attribution Parties exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Purchase Right to the extent of the Maximum Percentage (and shall not be entitled to beneficial ownership of such shares of Common Stock as a result of such Purchase Right (and beneficial ownership) to the extent of any such excess) and such Purchase Right to such extent shall be held in abeyance for the benefit of the Holder until such time or times, if ever, as its right thereto would not result in the Holder and the other Attribution Parties exceeding the Maximum Percentage, at which time or times the Holder shall be granted such right (and any Purchase Right granted, issued or sold on such initial Purchase Right or on any subsequent Purchase Right held similarly in abeyance) to the same extent as if there had been no such limitation).

(b) **Fundamental Transactions**. The Company shall not enter into or be party to a Fundamental Transaction other than for all cash unless (i) the Successor Entity assumes in writing all of the obligations of the Company under this Warrant and the other Transaction Documents (as defined in the Purchase Agreement) in accordance with the provisions of this **Section 4(b)** pursuant to written agreements in form and substance satisfactory to the Holder and approved by the Holder prior to such Fundamental Transaction, including agreements to deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant, including, without limitation, which is exercisable for a corresponding number of Capital Stock equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the Exercise Price hereunder to such shares of Capital Stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of Capital Stock, such adjustments to the number of Capital Stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction) and (ii) the Successor Entity (including its Parent Entity) is a publicly traded corporation whose common stock is quoted on or listed for trading on a Trading Market. Upon the consummation of a Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of the applicable Fundamental Transaction, the provisions of this Warrant (and if applicable, the other Transaction Documents) referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents, as applicable, with the same effect as if such Successor Entity had been named as the Company herein. Upon consummation of a Fundamental Transaction, the Successor Entity shall deliver to the Holder confirmation that there shall be issued upon exercise of this Warrant at any time after the consummation of such Fundamental Transaction, in lieu of the shares of Common Stock (or other securities, cash, assets or other property (except such items still issuable under **Sections 3** and **4(a)** above, which shall continue to be receivable thereafter)) issuable upon the exercise of this Warrant prior to such Fundamental Transaction, such shares of publicly traded common stock (or its equivalent) of the Successor Entity (including its Parent Entity) which the Holder would have been entitled to receive upon the happening of such Fundamental Transaction had this Warrant been exercised immediately prior to such Fundamental Transaction (without regard to any limitations on the exercise of this Warrant), as adjusted in accordance with the provisions of this Warrant. Notwithstanding the foregoing, and without limiting **Section 1(g)** hereof, the Holder may elect, at its sole option, by delivery of written notice to the Company to waive this **Section 4(b)** to permit a Fundamental Transaction without the assumption of this Warrant. In addition to and not in substitution for any other rights hereunder, prior to the consummation of a Fundamental Transaction pursuant to which holders of shares of Common Stock are entitled to receive securities or other assets with respect to or in exchange for shares of Common Stock (a "**Corporate Event**"), the Company shall make appropriate provision to insure that the Holder will thereafter have the right to receive upon an exercise of this Warrant at any time after the consummation of a Fundamental Transaction but prior to the Expiration Date, in lieu of the shares of Common Stock (or other securities, cash, assets or other property (except such items still issuable under **Sections 3** and **4(a)** above, which shall continue to be receivable thereafter)) issuable upon the exercise of the Warrant prior to such Fundamental Transaction, such shares of stock, securities, cash, assets or any other property whatsoever (including warrants or other purchase or subscription rights) which the Holder would have been entitled to receive upon the happening of such Fundamental Transaction had this Warrant been exercised immediately prior to such Fundamental Transaction (without regard to any limitations on the exercise of this Warrant). Provision made pursuant to the preceding sentence shall be in a form and substance reasonably satisfactory to the Holder. For the avoidance of doubt, in the event of the occurrence of a Fundamental Transaction, the Successor Entity, in addition to any of its other obligations set for in this **Section 5**, shall agree in writing that the Holder is entitled to the anti-dilution rights set forth in this **Section 5** for the balance of the time periods set forth in this Warrant.]

(c) **[Reserved]**

(d) **Application**. The provisions of this **Section 4** shall apply similarly and equally to successive Fundamental Transactions and Corporate Events and shall be applied as if this Warrant (and any such subsequent warrants) were fully exercisable and without regard to any limitations on the exercise of this Warrant (provided that the Holder shall continue to be entitled to the benefit of the Maximum Percentage, applied however with respect to shares of the Company's Capital Stock registered under the 1934 Act and thereafter receivable upon exercise of this Warrant (or any such other warrant)).

5. **Noncircumvention**. The Company hereby covenants and agrees that the Company will not, by amendment of its articles of incorporation or bylaws, each as amended to date, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issuance or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (a) shall not increase the par value of any shares of Common Stock receivable upon the exercise of this Warrant above the Exercise Price then in effect, (b) will not take any action which will cause the exercise price to fall below par value, and (c) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable shares of Common Stock upon the exercise of this Warrant. Notwithstanding anything herein to the contrary, if after the sixty (60) calendar day anniversary of the Issuance Date, the Holder is not permitted to exercise this Warrant in full for any reason (other than pursuant to restrictions set forth in **Section 1(g)** hereof), the Company shall use its best efforts to promptly remedy such failure, including, without limitation, obtaining such consents or approvals as necessary to permit such exercise into shares of Common Stock.

6. **Warrant Holder Not Deemed a Stockholder**. Except as otherwise specifically provided herein, the Holder, solely in its capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of share capital of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in its capacity as the Holder of this Warrant, any of the rights of a stockholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Shares which it is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this **Section 6**, 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.

7. **Reissuance of Warrants**.

(a) **Transfer of Warrant**. If this Warrant is to be transferred, the Holder shall surrender this Warrant to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Warrant (in accordance with **Section 7(d)**), registered as the Holder may request, representing the right to purchase the number of Warrant Shares being transferred by the Holder and, if less than the total number of Warrant Shares then underlying this Warrant is being transferred, a new Warrant (in accordance with **Section 7(d)**) to the Holder representing the right to purchase the number of Warrant Shares not being transferred.

(b) **Lost, Stolen or Mutilated Warrant**. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Warrant, the Company shall execute and deliver to the Holder a new Warrant (in accordance with **Section 7(d)**) representing the right to purchase the Warrant Shares then underlying this Warrant.

(c) **Exchangeable for Multiple Warrants**. This Warrant is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Warrant or Warrants (in accordance with **Section 7(d)**) representing in the aggregate the right to purchase the number of Warrant Shares then underlying this Warrant, and each such new Warrant will represent the right to purchase such portion of such Warrant Shares as is designated by the Holder at the time of such surrender; provided, however, no warrants for fractional shares of Common Stock shall be given.

(d) **Issuance of New Warrants**. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant (i) shall be of like tenor with this Warrant, (ii) shall represent, as indicated on the face of such new Warrant, the right to purchase the Warrant Shares then underlying this Warrant (or in the case of a new Warrant being issued pursuant to **Section 7(a)** or **Section 7(c)**, the Warrant Shares designated by the Holder which, when added to the number of shares of Common Stock underlying the other new Warrants issued in connection with such issuance, does not exceed the number of Warrant Shares then underlying this Warrant), (iii) shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date, and (iv) shall have the same rights and conditions as this Warrant.

8. **Notices**. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with Section 5.4 of the Purchase Agreement. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Warrant (other than the issuance of shares of Common Stock upon exercise in accordance with the terms hereof), including in reasonable detail a description of such action and the reason therefor. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) immediately upon each adjustment of the Exercise Price as provided herein and the number of Warrant Shares, setting forth in reasonable detail, and certifying, the calculation of such adjustment(s), (ii) at least fifteen (15) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the shares of Common Stock, (B) with respect to any grants, issuances or sales of any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property to holders of shares of Common Stock or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder, (iii) at least fifteen (15) Trading Days prior to the consummation of any Fundamental Transaction and (iv) within two (2) Business Days of the occurrence of an Event of Default (as defined in the Note), setting forth in reasonable detail any material events with respect to such Event of Default and any efforts by the Company to cure such Event of Default. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any of its Subsidiaries, the Company, if applicable, shall simultaneously file such notice with the SEC pursuant to a Current Report on Form 8-K or take such other action as reasonably determined by the Holder to disseminate such material, non-public information to the marketplace. If the Company or any of its Subsidiaries provides material non-public information to the Holder that is not simultaneously filed in a Current Report on Form 8-K and the Holder has not agreed to receive such material non-public information, the Company hereby covenants and agrees that the Holder shall not have any duty of confidentiality to the Company, any of its Subsidiaries or any of their respective officers, directors, employees, affiliates or agents with respect to, or a duty to any of the foregoing not to trade on the basis of, such material non-public information. It is expressly understood and agreed that the time of execution specified by the Holder in each Exercise Notice shall be definitive and may not be disputed or challenged by the Company.

9. **Amendment and Waiver**. Except as otherwise provided herein, the provisions of this Warrant may be amended and the Company may take any action herein prohibited or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Holder. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

10. **Severability**. If any provision of this Warrant is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Warrant so long as this Warrant as so modified continues to express, without material change, the original intentions of the Company and the Holder as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of such parties or the practical realization of the benefits that would otherwise be conferred upon such parties. The Company and the Holder will each endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

11. **Governing Law**. This Warrant shall be governed by and construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Warrant shall be governed by, the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. The Company hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to the Company at the address set forth in Section 5.4 of the Purchase Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. The Company hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein shall be deemed or operate to preclude the Holder from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to the Holder, to realize on any collateral or any other security for such obligations, or to enforce a judgment or other court ruling in favor of the Holder. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

12. **Construction; Headings**. This Warrant shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any Person as the drafter hereof. The headings of this Warrant are for convenience of reference and shall not form part of, or affect the interpretation of, this Warrant. Terms used in this Warrant but defined in the other Transaction Documents shall have the meanings ascribed to such terms on the Closing Date in such other Transaction Documents unless otherwise consented to in writing by the Holder.

13. **Dispute Resolution**.

(a) **Submission to Dispute Resolution.**

(i) In the case of a dispute relating to the Exercise Price, the Closing Sale Price, Black Scholes Consideration Value, Event of Default, Black Scholes Value or fair market value or the arithmetic calculation of the number of Warrant Shares (as the case may be) (including, without limitation, a dispute relating to the determination of any of the foregoing), the Company or the Holder (as the case may be) shall submit the dispute to the other party via facsimile or electronic mail (A) if by the Company, within two (2) Business Days after the occurrence of the circumstances giving rise to such dispute or (B) if by the Holder, at any time after the Holder learned of the circumstances giving rise to such dispute. If the Holder and the Company are unable to promptly resolve such dispute relating to such Exercise Price, such Closing Sale Price, such Black Scholes Consideration Value, such Event of Default, such Black Scholes Value or such fair market value or such arithmetic calculation of the number of Warrant Shares (as the case may be), at any time after the second (2^{nd}) Business Day following such initial notice by the Company or the Holder (as the case may be) of such dispute to the Company or the Holder (as the case may be), then the Holder may, at its sole option, select an independent, reputable investment bank, reasonably acceptable to the Company, to resolve such dispute.

(ii) The Holder and the Company shall each deliver to such investment bank (A) a copy of the initial dispute submission so delivered in accordance with the first sentence of this **Section 13** and (B) written documentation supporting its position with respect to such dispute, in each case, no later than 5:00 p.m. (New York time) by the fifth (5^{th}) Business Day immediately following the date on which the Holder selected such investment bank (the "**Dispute Submission Deadline**") (the documents referred to in the immediately preceding clauses (A) and (B) are collectively referred to herein as the "**Required Dispute Documentation**") (it being understood and agreed that if either the Holder or the Company fails to so deliver all of the Required Dispute Documentation by the Dispute Submission Deadline, then the party who fails to so submit all of the Required Dispute Documentation shall no longer be entitled to (and hereby waives its right to) deliver or submit any written documentation or other support to such investment bank with respect to such dispute and such investment bank shall resolve such dispute based solely on the Required Dispute Documentation that was delivered to such investment bank prior to the Dispute Submission Deadline). Unless otherwise agreed to in writing by both the Company and the Holder or otherwise requested by such investment bank, neither the Company nor the Holder shall be entitled to deliver or submit any written documentation or other support to such investment bank in connection with such dispute (other than the Required Dispute Documentation).

(iii) The Company and the Holder shall cause such investment bank to determine the resolution of such dispute and notify the Company and the Holder of such resolution no later than ten (10) Business Days immediately following the Dispute Submission Deadline. The fees and expenses of such investment bank shall be borne solely by the Company, and such investment bank's resolution of such dispute shall be final and binding upon all parties absent manifest error.

(b) **Miscellaneous**. The Company expressly acknowledges and agrees that (i) this **Section 13** constitutes an agreement to arbitrate between the Company and the Holder (and constitutes an arbitration agreement) under the rules then in effect under § 7501, et seq. of the New York Civil Practice Law and Rules ("**CPLR**") and that the Holder is authorized to apply for an order to compel arbitration pursuant to CPLR § 7503(a) in order to compel compliance with this **Section 13**, (ii) a dispute relating to the Exercise Price includes, without limitation, disputes as to (A) whether an issuance or sale or deemed issuance or sale of shares of Common Stock occurred under **Section 2(b)**, (B) the consideration per share at which an issuance or deemed issuance of shares of Common Stock occurred, and (C) whether any issuance or sale or deemed issuance or sale of shares of Common Stock was an issuance or sale or deemed issuance or sale of Excluded Securities, (D) whether an agreement, instrument, security or the like constitutes and Option or Convertible Security and (E) whether a Dilutive Issuance occurred, (iii) the terms of this Warrant and each other applicable Transaction Document shall serve as the basis for the selected investment bank's resolution of the applicable dispute, such investment bank shall be entitled (and is hereby expressly authorized) to make all findings, determinations and the like that such investment bank determines are required to be made by such investment bank in connection with its resolution of such dispute (including, without limitation, determining (A) whether an issuance or sale or deemed issuance or sale of shares of Common Stock occurred under **Section 2(b)**, (B) the consideration per share at which an issuance or deemed issuance of shares of Common Stock occurred, and (C) whether any issuance or sale or deemed issuance or sale of shares of Common Stock was an issuance or sale or deemed issuance or sale of Excluded Securities, (D) whether an agreement, instrument, security or the like constitutes and Option or Convertible Security and (E) whether a Dilutive Issuance occurred) and in resolving such dispute such investment bank shall apply such findings, determinations and the like to the terms of this Warrant and any other applicable Transaction Documents, (iv) the Holder (and only the Holder), in its sole discretion, shall have the right to submit any dispute described in this **Section 13** to any state or federal court sitting in The City of New York, Borough of Manhattan in lieu of utilizing the procedures set forth in this **Section 13** and (v) nothing in this **Section 13** shall limit the Holder from obtaining any injunctive relief or other equitable remedies (including, without limitation, with respect to any matters described in this **Section 13**).

14. **Remedies, Characterization, Other Obligations, Breaches and Injunctive Relief**. The remedies provided in this Warrant shall be cumulative and in addition to all other remedies available under this Warrant and the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the right of the Holder to pursue actual and consequential damages for any failure by the Company to comply with the terms of this Warrant. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, exercises and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holder of this Warrant shall be entitled, in addition to all other available remedies, to specific performance and/or temporary, preliminary and permanent injunctive or other equitable relief from any court of competent jurisdiction in any such case without the necessity of proving actual damages and without posting a bond or other security. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Warrant (including, without limitation, compliance with **Section 2** hereof). The issuance of shares and certificates for shares as contemplated hereby upon the exercise of this Warrant shall be made without charge to the Holder or such shares for any issuance tax or other costs in respect thereof, provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than the Holder or its agent on its behalf.

15. **Payment of Collection, Enforcement and Other Costs**. If (a) this Warrant is placed in the hands of an attorney for collection or enforcement or is collected or enforced through any legal proceeding or the holder otherwise takes action to collect amounts due under this Warrant or to enforce the provisions of this Warrant or (b) there occurs any bankruptcy, reorganization, receivership of the company or other proceedings affecting company creditors' rights and involving a claim under this Warrant, then the Company shall pay the costs incurred by the Holder for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, attorneys' fees and disbursements.

16. **Transfer**. This Warrant may be offered for sale, sold, transferred or assigned without the consent of the Company subject to compliance with applicable state and federal securities laws.

17. **Registration Rights**. The Holder of this Warrant has certain rights to require the Company to register its resale of the Warrant Shares under the 1933 Act and any blue sky or securities laws of any jurisdictions within the United States at the time and in the manner specified in the Registration Rights Agreement.

18. **Certain Definitions**. In addition to the terms defined elsewhere in this Warrant or in the Purchase Agreement, for purposes of this Warrant, the following terms shall have the following meanings:

(a) "**1933 Act**" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

(b) "**1934 Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

(c) "**Adjustment Right**" means any right granted with respect to any securities issued in connection with, or with respect to, any issuance or sale (or deemed issuance or sale in accordance with **Section 2**) of shares of Common Stock (other than rights of the type described in **Section 3** and **4** hereof) that could result in a decrease in the net consideration received by the Company in connection with, or with respect to, such securities (including, without limitation, any cash settlement rights, cash adjustment or other similar rights).

(d) "**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person, it being understood for purposes of this definition that "control" of a Person means the power directly or indirectly either to vote 10% or more of the stock having ordinary voting power for the election of directors of such Person or direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

(e) "**Approved Stock Plan**" means any employee benefit plan which has been approved by the board of directors of the Company prior to or subsequent to the date hereof pursuant to which shares of Common Stock and standard options to purchase shares of Common Stock may be issued to any employee, officer or director for services provided to the Company in their capacity as such; **provided,** that such issuance shall not exceed in the aggregate fifteen percent 15% of the outstanding shares of Common Stock without the prior approval of the Holder.

(f) "**Attribution Parties**" means, collectively, the following Persons and entities: (i) any investment vehicle, including, any funds, feeder funds or managed accounts, currently, or from time to time after the Issuance Date, directly or indirectly managed or advised by the Holder's investment manager or any of its Affiliates or principals, (ii) any direct or indirect Affiliates of the Holder or any of the foregoing, (iii) any Person acting or who could be deemed to be acting as a Group together with the Holder or any of the foregoing and (iv) any other Persons whose beneficial ownership of the Company's shares of Common Stock would or could be aggregated with the Holder's and the other Attribution Parties for purposes of Section 13(d) of the 1934 Act. For clarity, the purpose of the foregoing is to subject collectively the Holder and all other Attribution Parties to the Maximum Percentage.

(g) **[Reserved]**

(h) **[Reserved]**

(i) "**Bloomberg**" means Bloomberg, L.P.

(j) "**Business Day**" means any day except any Saturday, any Sunday, any day which a federal legal holiday in the United States or any day is on which the Federal Reserve Bank of New York is not open for business.

(k) "**Closing Sale Price**" means, for any security as of any date, the last closing trade price for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price, then the last trade price of such security prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange that is a Trading Market for such security, the last trade price of such security on the principal securities exchange that is a Trading Market where such security is listed or traded as reported by Bloomberg, or if the foregoing does not apply, the last trade price of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg, or, if no last trade price is reported for such security by Bloomberg, the average of the ask prices of any market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in **Section 13**. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

(l) "**Common Stock**" means (i) the Company's shares of common stock, $0.001 par value per share, and (ii) any Capital Stock into which such shares of common stock shall have been changed or any share capital resulting from a reclassification of such shares of common stock.

(m) "**Convertible Securities**" means any stock or other security (other than Options) that is at any time and under any circumstances, directly or indirectly, convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any shares of Common Stock.

(n) **[Reserved]**

(o) **[Reserved]**

(p) **[Reserved]**

(q) "**Excluded Securities**" means (i) shares of Common Stock or standard options to purchase shares of Common Stock issued to directors, officers or employees of the Company for services rendered to the Company in their capacity as such pursuant to an Approved Stock Plan (as defined above), provided that (A) all such issuances (taking into account the shares of Common Stock issuable upon exercise of such options) after the Subscription Date pursuant to this clause (i) do not, in the aggregate, exceed more than 15% of the shares of Common Stock issued and outstanding immediately prior to the Subscription Date and (B) the exercise price of any such options is not lowered, none of such options are amended to increase the number of shares issuable thereunder and none of the terms or conditions of any such options are otherwise materially changed in any manner that adversely affects the Purchasers; (ii) shares of Common Stock issued upon the conversion or exercise of Convertible Securities (other than standard options to purchase shares of Common Stock issued pursuant to an Approved Stock Plan that are covered by clause (i) above) issued prior to the Subscription Date, provided that the conversion price of any such Convertible Securities (other than standard options to purchase shares of Common Stock issued pursuant to an Approved Stock Plan that are covered by clause (i) above) is not lowered, none of such Convertible Securities (other than standard options to purchase shares of Common Stock issued pursuant to an Approved Stock Plan that are covered by clause (i) above) are amended to increase the number of shares issuable thereunder and none of the terms or conditions of any such Convertible Securities (other than standard options to purchase shares of Common Stock issued pursuant to an Approved Stock Plan that are covered by clause (i) above) are otherwise materially changed in any manner that adversely affects the Purchasers; (iii) the shares of Common Stock issuable upon conversion of the Note or otherwise pursuant to the terms of the Note; provided, that the terms of the Note are not amended, modified or changed on or after the Subscription Date (other than antidilution adjustments pursuant to the terms thereof in effect as of the Subscription Date), and (iv) the shares of Common Stock issuable upon exercise of the Warrant; provided, that the terms of the Warrant are not amended, modified or changed on or after the Subscription Date (other than antidilution adjustments pursuant to the terms thereof in effect as of the Subscription Date).

(r) "**Expiration Date**" means the date that is the fifth (5^{th}) anniversary of the Issuance Date or, if such date falls on a day other than a Trading Day or on which trading does not take place on the Principal Market (a "**Holiday**"), the next date that is not a Holiday.

(s) "**Fundamental Transaction**" means (A) that the Company shall, directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, (i) consolidate or merge with or into (whether or not the Company is the surviving corporation) another Subject Entity, or (ii) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company or any of its "significant subsidiaries" (as defined in Rule 1-02 of Regulation S-X) to one or more Subject Entities, or (iii) make, or allow one or more Subject Entities to make, or allow the Company to be subject to or have its shares of Common Stock be subject to or party to one or more Subject Entities making, a purchase, tender or exchange offer that is accepted by the holders of at least either (x) 50% of the outstanding shares of Common Stock, (y) 50% of the outstanding shares of Common Stock calculated as if any shares of Common Stock held by all Subject Entities making or party to, or Affiliated with any Subject Entities making or party to, such purchase, tender or exchange offer were not outstanding; or (z) such number of shares of Common Stock such that all Subject Entities making or party to, or Affiliated with any Subject Entity making or party to, such purchase, tender or exchange offer, become collectively the beneficial owners (as defined in Rule 13d-3 under the 1934 Act) of at least 50% of the outstanding shares of Common Stock, or (iv) consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with one or more Subject Entities whereby all such Subject Entities, individually or in the aggregate, acquire, either (x) at least 50% of the outstanding shares of Common Stock, (y) at least 50% of the outstanding shares of Common Stock calculated as if any shares of Common Stock held by all the Subject Entities making or party to, or Affiliated with any Subject Entity making or party to, such stock purchase agreement or other business combination were not outstanding; or (z) such number of shares of Common Stock such that the Subject Entities become collectively the beneficial owners (as defined in Rule 13d-3 under the 1934 Act) of at least 50% of the outstanding shares of Common Stock, or (v) reorganize, recapitalize or reclassify its shares of Common Stock, (B) that the Company shall, directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, allow any Subject Entity individually or the Subject Entities in the aggregate to be or become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, whether through acquisition, purchase, assignment, conveyance, tender, tender offer, exchange, reduction in outstanding shares of Common Stock, merger, consolidation, business combination, reorganization, recapitalization, spin-off, scheme of arrangement, reorganization, recapitalization or reclassification or otherwise in any manner whatsoever, of either (x) at least 50% of the aggregate ordinary voting power represented by issued and outstanding shares of Common Stock, (y) at least 50% of the aggregate ordinary voting power represented by issued and outstanding shares of Common Stock not held by all such Subject Entities as of the date of this Warrant calculated as if any shares of Common Stock held by all such Subject Entities were not outstanding, or (z) a percentage of the aggregate ordinary voting power represented by issued and outstanding shares of Common Stock or other equity securities of the Company sufficient to allow such Subject Entities to effect a statutory short form merger or other transaction requiring other shareholders of the Company to surrender their shares of Common Stock without approval of the shareholders of the Company or (C) directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, the issuance of or the entering into any other instrument or transaction structured in a manner to circumvent, or that circumvents, the intent of this definition in which case this definition shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this definition to the extent necessary to correct this definition or any portion of this definition which may be defective or inconsistent with the intended treatment of such instrument or transaction.

(t) "**Group**" means a "group" as that term is used in Section 13(d) of the 1934 Act and as defined in Rule 13d-5 thereunder.

(u) "**Note**" has the meaning ascribed to such term in the Purchase Agreement and shall include all notes issued in exchange therefor or replacement thereof.

(v) "**Options**" means any rights, warrants or options to subscribe for or purchase of shares of Common Stock or Convertible Securities.

(w) "**Parent Entity**" of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on a Trading Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(x) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(y) "**Principal Market**" means the OTC Markets Group Inc. PINK.

(z) "**Registration Rights Agreement**" means that certain registration rights agreement, dated as of the Closing Date, by and among the Company and the Purchasers relating to, among other things, the registration of the resale of the shares of Common Stock issuable upon conversion of the Notes or otherwise pursuant to the terms of the Notes and exercise of the Warrants, as may be amended from time to time.

(aa) "**SEC**" means the United States Securities and Exchange Commission or the successor thereto.

(bb) "**Subject Entity**" means any Person, Persons or Group or any Affiliate or associate of any such Person, Persons or Group.

(cc) "**Successor Entity**" means the Person (or, if so elected by the Holder, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Holder, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

(dd) "**Trading Day**" means, as applicable, (x) with respect to all price or trading volume determinations relating to the shares of Common Stock, any day on which the shares of Common Stock is traded on the Principal Market, or, if the Principal Market is not the principal Trading Market for the shares of Common Stock, then on the principal securities exchange or securities market that is a Trading Market on which the shares of Common Stock is then traded, provided that "Trading Day" shall not include any day on which the shares of Common Stock is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the shares of Common Stock is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time) unless such day is otherwise designated as a Trading Day in writing by the Holder or (y) with respect to all determinations other than price or trading volume determinations relating to the shares of Common Stock, any day on which The New York Stock Exchange (or any successor thereto) is open for trading of securities.

(ee) "**VWAP**" means, for any security as of any date, the dollar volume-weighted average price for such security on the Principal Market (or, if the Principal Market is not the principal Trading Market for such security, then on the principal securities exchange or securities market that is a Trading Market on which such security is then traded), during the period beginning at 9:30 a.m., New York time, and ending at 4:00 p.m., New York time, as reported by Bloomberg through its "VAP" function (set to 09:30 start time and 16:00 end time) or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30 a.m., New York time, and ending at 4:00 p.m., New York time, as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for such security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the VWAP cannot be calculated for such security on such date on any of the foregoing bases, the VWAP of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in **Section 13**. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination, recapitalization or other similar transaction during such period.

[signature page follows]

IN WITNESS WHEREOF, the Company has caused this Warrant to purchase shares of Common Stock to be duly executed as of the Issuance Date set out above.

INNOCAP, INC.

By: _____
Name:
Title:

EXHIBIT A

EXERCISE NOTICE

TO BE EXECUTED BY THE REGISTERED HOLDER TO EXERCISE THIS WARRANT TO PURCHASE SHARES OF COMMON STOCK

INNOCAP, INC.

The undersigned holder hereby elects to exercise the Warrant to purchase shares of Common Stock No. _____ (the "**Warrant**") of Innocap, Inc., a company organized under the laws of the State of Nevada (the "**Company**"), as specified below. Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. **Form of Exercise Price**. The Holder intends that payment of the Aggregate Exercise Price shall be made as:

[ ] a "Cash Exercise" with respect to _____ Warrant Shares.

2. **Payment of Exercise Price**. The Holder shall pay the Aggregate Exercise Price in the sum of $_____ to the Company in accordance with the terms of the Warrant.

3. **Delivery of Warrant Shares**. The Company shall deliver to Holder, or its designee or agent as specified below, _____ shares of Common Stock in accordance with the terms of the Warrant. Delivery shall be made to Holder, or for its benefit, as follows:

[ ] Check here if requesting delivery as a certificate to the following name and to the following address:

Issue to:

[ ] Check here if requesting delivery by Deposit/Withdrawal at Custodian as follows:

DTC Participant: _____

DTC Number: _____

Account Number: _____

4. **Maximum Percentage Representation**. Notwithstanding anything to the contrary contained herein, this Exercise Notice shall constitute a representation by the Holder of the Warrant submitting this Exercise Notice that after giving effect to the exercise provided for in this Exercise Notice, such Holder (together with its Affiliates) will not have beneficial ownership (together with the beneficial ownership of such Person's Affiliates) of a number of shares of Common Stock which exceeds the Maximum Percentage of the total outstanding shares of Common Stock of the Company as determined pursuant to the provisions of **Section 1(g)(i)** of the Warrant.

Date: _____,

_____
Name of Registered Holder

By: _____
Name:
Title:

Tax ID:_____

Facsimile: _____

E-mail Address: _____

EXHIBIT B

ACKNOWLEDGMENT

The Company (a) hereby acknowledges this Exercise Notice (b) certifies that the above indicated number of shares of Common Stock [are][are not] eligible to be resold by the Holder either (i) pursuant to Rule 144 under the 1933 Act (subject to the Holder's execution and delivery to the Company of a customary Rule 144 representation letter) or (ii) an effective and available registration statement and (c) hereby directs _____ to issue the above indicated number of shares of Common Stock in accordance with the Transfer Agent Instructions dated _____, 2020, from the Company and acknowledged and agreed to by _____.

Innocap, Inc.

By: _____
Name:
Title:

SECURITIES PURCHASE AGREEMENT

This **Securities Purchase Agreement** (this "**Agreement**") is dated as of October 8, 2020, between Innocap, Inc., a Nevada corporation (the "**Company**" or the "**Parent**")), and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a **"Purchaser**" and collectively, the "**Purchasers**").

WHEREAS, by separate agreement, the Parent, Unique Acquisition Corp., a Delaware corporation (the "**Acquisition Subsidiary**"), Unique Logistics Holdings, Inc., a Delaware corporation ("**Unique Logistics**") and Paul Tidwell, an individual (the "**Split-Off Purchaser**") have entered into that certain Agreement and Plan of Merger and Reorganization dated at or about the date hereof (the "**Merger Agreement**"). The Merger Agreement contemplates a merger of the Acquisition Subsidiary with and into Unique Logistics, with Unique Logistics remaining as the surviving entity after the merger (the "**Merger**"), whereby the stockholders of Unique Logistics will receive shares of Parent's Series A Preferred Stock and Series B Preferred Stock (as such term is defined in the Merger Agreement) in exchange for their capital stock of Unique Logistics;

WHEREAS, simultaneously with the closing of the Merger, the Parent shall assign of all of the Parent's assets and liabilities (other than those under the Merger Agreement and the other related agreements and transactions contemplated thereby) to its wholly owned subsidiary Star Exploration Corporation, a Texas corporation (the "**Split Off Subsidiary**") and the Split-off Purchaser shall exchange the Share Contribution (as such term is defined in the Split-Off Agreement) for all of the outstanding capital stock of the Split-Off Subsidiary (the "**Split-Off**"), upon the terms and conditions of a split-off agreement (the "**Split-Off Agreement**"), by and among the Parent, the Split-Off Subsidiary and the Split-Off Purchaser (as each term is defined in the Split-Off Agreement);

WHEREAS, simultaneously with the closing of the Merger, the Parent, Split-Off Subsidiary and Split-Off Purchaser shall enter into a general release agreement (the "**General Release Agreement**");

WHEREAS, the Parent, the Acquisition Subsidiary and Unique Logistics intend for the Merger to qualify as a "reorganization" under Section 368(a) of the Internal Revenue Code of 1986, as amended (the "**Code**"), and that this Agreement constitute a "plan of reorganization" within the meaning of Sections 1.368-2(g) and 1.368-3(a) of the United States Treasury Regulations;

WHEREAS, simultaneously with the closing of the Merger, the Parent will complete a private placement offering (the "**Private Placement Offering**") of up to $1,111,000 of Secured Subordinated Convertible Promissory Notes (the "**Notes**") at a purchase price of $1,000,000 and common stock purchase warrants (the "**Purchase Price**"), upon the terms and subject to the conditions step forth below;

WHEREAS, subject to the terms and conditions set forth in this Agreement and a substantially similar Securities Purchase Agreement dated at or about the date hereof, and pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "**Securities Act**"), and/or Rule 506 promulgated thereunder, the Company desires to issue and sell to the Purchasers, and the Purchasers desire to purchase from the Company for cash and other valuable consideration, Securities of the Company as defined and described more fully in this Agreement;

WHEREAS, the parties intend that the transactions contemplated by this Agreement, the Merger Agreement, and the Split-Off Agreement (this Agreement and together with the Merger Agreement and the Split-Off Agreement and all the other agreements that are be to executed and delivered in connection herewith and therewith, herein referred to as the "**Merger Transaction Documents"**) are to be viewed as one, single, integrated transaction and any interpretation of this Agreement, the Merger Agreement, the Split-Off Agreement, and the other Merger Transaction Documents shall be made consistent with this intent. Each party acknowledges and agrees that they would not have entered into the Merger Agreement, the Split-Off Agreement and/or this Agreement but for the agreement that all of the Merger Transaction Documents will be executed and delivered in accordance with their respective terms.

NOW, THEREFORE, in consideration of the representations, warranties and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and each Purchaser agree as follows:

ARTICLE I - DEFINITIONS

I.1 **Definitions.** In addition to the terms defined elsewhere in this Agreement, the following terms have the meanings set forth in this **Section 1.1**:

"**Affiliate**" means each Person that controls, is controlled by or is under common control with such Person or any Affiliate of such Person. For purpose of this definition, "control" and related words are used as such terms are used in and construed under Rule 405 under the Securities Act. Notwithstanding the foregoing, the Purchaser and its Subsidiaries, on the one hand, and the Company Parties and their Subsidiaries, on the other hand, shall not be considered "**Affiliates**" of each other.

"**AML/CTF Regulation**" has the meaning ascribed to such term in **Section 3.1(kk).**

"**BHCA**" has the meaning ascribed to such term in **Section 3.1(gg)**.

"**Board of Directors**" means the board of directors of the Company.

"**Business Day**" means any day except Saturdays, Sundays, any day that is a federal holiday in the United States and any day on which the Federal Reserve Bank of New York is not open for business.

"**Capital Lease**" means, as applied to any Person, any lease of, or other arrangement conveying the right to use, any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person.

"Capital Stock" means all shares of capital stock (whether denominated as common stock or preferred stock), equity interests, beneficial, partnership or membership interests, joint venture interests, participations or other ownership or profit interests in or equivalents (regardless of how designated) of or in a Person (other than an individual), whether voting or non-voting.

"**Closing Date**" means the Trading Day on which, or next following the day on which, all of the Transaction Documents required to be executed or delivered prior to the Closing have been executed and delivered by the applicable parties thereto and all other conditions precedent to (i) each Purchaser's obligations to pay the Subscription Amount and (ii) the Company's obligations to deliver the Securities, in each case, have been satisfied or waived.

"**Closing**" means the closing of the purchase and sale of the Securities pursuant to **Section 2.3**.

"**Commission**" means the United States Securities and Exchange Commission.

"**Common Stock**" means the common stock of the Company, par value $0.001 per share, any Capital Stock into which such shares of common stock shall have been changed, and any share capital resulting from a reclassification of such common stock.

"**Common Stock Equivalents**" means any securities of any Company Party which would entitle the holder thereof to acquire at any time Common Stock, including whether or not presently convertible, exchangeable or exercisable, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to purchase, subscribe or otherwise receive, Common Stock.

"Company Party" means each of the Company and its Subsidiaries.

"**Company Covered Person**" has the meaning ascribed to such term in **Section 3.1(ll)**.

"Consents" means any approval, consent, authorization, notice to, or any other action by, any Person other than any Governmental Authority.

"**Contractual Obligation**" means, with respect to any Person, any provision of any security or similar instrument issued by such Person or of any agreement, undertaking, contract, lease, indenture, mortgage, deed of trust or other instrument (other than a Transaction Document) to which such Person is a party or by which it or any of its property is bound or to which any of its property is subject.

"**Conversion Price**" has the meaning ascribed to such term in the Notes.

"**Conversion Shares**" has the meaning ascribed to such term in the Notes.

"**CoreFund**" means CoreFund Capital LLC.

"**Currency Agreement**" means any foreign exchange contract, currency swap agreement, futures contract, option contract, synthetic cap or other similar agreement or arrangement. For purposes of this definition, cryptocurrencies shall be considered currencies.

"**Derivative**" means any Interest Rate Agreement, Currency Agreement, futures or forward contract, spot transaction, commodity swap, purchase or option agreement, other commodity price hedging arrangement, cap, floor or collar transaction, any credit default or total return swap, any other derivative instrument, any other similar speculative transaction and any other similar agreement or arrangement designed to alter the risks of any Person arising from fluctuations in any underlying variable, including interest rates, currency values, insurance, catastrophic losses, climatic or geological conditions or the price or value of any other derivative instrument. For the purposes of this definition, "derivative instrument" means "any derivative instrument" as defined in Statement of Financial Accounting Standards No. 133 (Accounting for Derivative Instruments and Hedging Activities) of the United States Financial Accounting Standards Board, and any defined with a term similar effect in any successor statement or any supplement to, or replacement of, any such statement.

"**Disclosure Schedule**" means a schedule disclosing detailed information about the Company Parties and in form and substance satisfactory to the Purchasers on the Closing Date, together with any update on any information in such certificate required to be given and given in accordance with any Transaction Document.

"**Disqualification Event**" has the meaning ascribed to such term in **Section 3.1(ll)**.

"Dollars" and the sign **"$"** each mean the lawful money of the United States of America.

"**Evaluation Date**" has the meaning ascribed to such term in **Section 3.1(o)**.

"**Exchange Act**" means the Securities Exchange Act of 1934.

"**Exchange Transaction**" has the meaning ascribed to such term in **Section 4.11(b).**

"**Exercise Price**" shall have the meaning ascribed to such term in the Warrants.

"**Exempt Issuance**" means the issuance of (a) shares of Common Stock or options to employees, officers, directors, advisors or independent contractors of the Company Parties; **provided**, that such issuance is approved by a majority of the disinterested members of the Board of Directors of the Company; and **provided**, **further** that such issuance shall not exceed in the aggregate fifteen percent (15%) of the outstanding shares of Common Stock without the prior approval of the Purchasers, (b) shares of Common Stock, warrants or options to advisors or independent contractors of any Company Party for compensatory purposes, (c) securities upon the exercise or exchange of or conversion of any Securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date hereof, **provided**, that such securities have not been amended since the date hereof to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities, (d) securities issuable pursuant to any contractual anti-dilution obligations of the Company in effect as of the date hereof, **provided**, that such obligations have not been materially amended since the date of hereof, and (e) securities issued pursuant to acquisitions or any other strategic transactions approved by a majority of the disinterested members of the Board of Directors; **provided**, that such acquisitions and other strategic transactions shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

"**Federal Reserve**" has the meaning ascribed to such term in **Section 3.1(gg)**.

"**GAAP**" means United States generally accepted accounting principles as in effect from time to time, applied consistently throughout the periods referenced and consistently with (a) the principles and standards set forth in the opinions and pronouncements of the Financial Accounting Standards Board or any successor entity, (b) to the extent consistent with such principles, generally accepted industry practices and (c) to the extent consistent with such principles and practices, the past practices of the Company as reflected in its financial statements delivered to the Purchasers.

"Governmental Authority" means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, any municipality, any agency, authority or instrumentality thereof and any entity or authority exercising executive, legislative, taxing, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing, including any central bank stock exchange regulatory body arbitrator, public sector entity, supra-national entity (including the European Union and the European Central Bank) and any self-regulatory organization (including the National Association of Insurance Commissioners).

"**Guaranty**" means the Guaranty, in the form attached hereto as **Exhibit F** and otherwise in form and substance satisfactory to the Purchasers on the Closing Date, delivered by the Company and each Subsidiary for the benefit of each Purchaser hereunder and as of the Closing Date.

"**Indebtedness**" means, with respect to any Person, without duplication, the following: (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services other than accounts payable and accrued liabilities incurred in respect of property or services purchased in the ordinary course of business (**provided**, that such accounts payable and accrued liabilities are not overdue by more than 180 days), (c) all obligations of such Person evidenced by notes, bonds, debentures or similar borrowing or securities instruments, (d) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person, (e) all obligations of such Person as lessee under Capital Leases, (f) all reimbursements and all other obligations of such Person with respect to (i) letters of credit, bank guarantees or bankers' acceptances or (ii) surety, customs, reclamation, performance or other similar bonds, (g) all obligations of such Person secured by Liens on the assets of such Person, (h) all Guaranty Obligations of such Person, (i) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Capital Stock, Stock Equivalent (valued, in the case of redeemable preferred stock, at the greater of its voluntary liquidation preference and its involuntary liquidation preference plus accrued and unpaid dividends) or any warrants, rights or options to acquire such Capital Stock, (j) after taking into account the effect of any legally-enforceable netting Contractual Obligation of such Person, all payments that would be required to be made in respect of any Derivative in the event of a termination (including an early termination) on the date of determination and (k) all obligations of another Person of the type described in clauses (a) through (j) secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) a Lien on the assets of such Person (whether or not such Person is otherwise liable for such obligations of such other Person).

"Initial Principal Amount" means, as to any Purchaser, the principal amount of the Note of such Purchaser set forth on **Schedule I.**

"**Intellectual Property Rights**" means, collectively, all copyrights, patents, trademarks, service marks and trade names all applications for any of the foregoing, together with: (i) all inventions, processes, production methods, proprietary information, know-how and trade secrets; (ii) all licenses or user or other agreements granted with respect to any of the foregoing, in each case whether now or hereafter owned or used; (iii) all customer lists, identification of suppliers, data, plans, blueprints, specifications, designs, drawings, recorded knowledge, surveys, engineering reports, test reports, manuals, materials standards, processing standards, performance standards, catalogs, computer and automatic machinery software and programs; (iv) all field repair data, sales data and other information relating to sales or service of products now or hereafter manufactured; (v) all accounting information and all media in which or on which any information or knowledge or data or records may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data; (vi) all applications for any of the foregoing and (vii) all causes of action, claims and warranties, in each case, now or hereafter owned or acquired in respect of any item listed above.

"**Interest Rate Agreement**" means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedging agreement or other similar agreement or arrangement.

"**Legend Removal Date**" has the meaning ascribed to such term in **Section 4.1(c)**.

"**Liabilities**" means all amounts, indebtedness, obligations, liabilities, covenants and duties of every type and description owing by any Company Party from time to time to any Purchaser or any other Purchaser Party, whether direct or indirect, joint or several, absolute or contingent, due or to become due, liquidated or unliquidated, secured or unsecured, now existing or hereafter arising and however created, acquired (regardless of whether acquired by assignment), whether or not evidenced by any note or other instrument or for the payment of money and whether arising under Contractual Obligations, Regulations or otherwise, including, without duplication, (i) the principal amount due of the Note, (ii) all other amounts, fees, interest (including any prepayment premium), commissions, charges, costs, expenses, attorneys' fees and disbursements, indemnities, reimbursement of amounts paid and other sums chargeable to the Company under the Note, this Agreement or any other Transaction Document (including attorneys' fees) or otherwise arising under any Transaction Document and (iii) all interest on any item otherwise qualifying as a "Liability" hereunder, whether or not accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or similar proceeding, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding.

"**License Agreement**" has the meaning ascribed to such term in **Section 3.1(m)**.

"**Lien**" means any lien (statutory or other) mortgage, pledge, hypothecation, assignment, security interest, encumbrance, charge, claim, right of first refusal, preemptive right, restriction on transfer or similar restriction or other security arrangement of any kind or nature whatsoever, including any conditional sale or other title retention agreement and any capital or financing lease having substantially the same economic effect as any of the foregoing.

"Losses" means all liabilities, rights, demands, covenants, duties, obligations (including indebtedness, receivables and other contractual obligations), claims, damages, Proceedings and causes of actions, settlements, judgments, damages, losses (including reductions in yield), debts, responsibilities, fines, penalties, sanctions, commissions and interest, disbursements, Taxes, interest, charges, costs, fees and expenses (including fees, charges, and disbursements of financial, legal and other advisors, consultants and professionals and, if applicable, any value-added and other taxes and charges thereon), in each case of any kind or nature, whether joint or several, whether now existing or hereafter arising and however acquired and whether or not known, asserted, direct, contingent, liquidated, due, consequential, actual, punitive or treble.

"**Material Adverse Effect**" means material adverse effect on, or change in, (a) the legality, validity or enforceability of any portion of any Transaction Document, (b) the operations, assets, business, prospects or condition (financial or otherwise) of any Company Party, (c) the ability of any Company Party to perform on a timely basis its obligations under any Transaction Document for any reason whatsoever, whether foreseen or unforeseen, including due to pandemic, acts of a Governmental Authority, interruption of transportation systems, strikes, terrorist activities, interruptions of supply chains or acts of God, or (d) the perfection or priority of any Liens granted to any Purchaser Party under any Transaction Document.

"Maximum Rate" has the meaning ascribed to such term in **Section 5.12**.

"**Note**" means each 10% Secured Subordinated Convertible Promissory Note, in the form attached hereto as **Exhibit A** and otherwise in form and substance satisfactory to the Purchasers on the Closing Date, issued by the Company to each Purchaser hereunder and as of the Closing Date.

"**Notice of Conversion**" has the meaning ascribed to such term in **Section 4.5.**

"**OFAC**" has the meaning ascribed to such term in **Section 3.1(ee)**.

"**Participation Maximum**" has the meaning ascribed to such term in **Section 4.13(a)**.

"Permit" means, with respect to any Person, any permit, filing, notice, license, approval, variance, exception, permission, concession, grant, franchise, confirmation, endorsement, waiver, certification, registration, qualification, clearance or other Contractual Obligation or arrangement with, or authorization by, to or under the authority of, any Governmental Authority or pursuant to any Regulation, or any other action by any Governmental Authority in each case whether or not having the force of law and affecting or applicable to or binding upon such Person, its Contractual Obligations or arrangements or other liabilities or any of its property or to which such Person, its Contractual Obligations or any of its property is or is purported to be subject.

"**Person**" means an individual, partnership, corporation, incorporated or unincorporated association, limited liability company, limited liability partnership, joint stock company, land trust, business trust or unincorporated organization, or a government or agency, department or other subdivision thereof or other entity of any kind.

"**Pre-Notice**" has the meaning ascribed to such term in **Section 4.13(b)**.

"Proceeding" against a Person means an action, suit, litigation, arbitration, investigation, complaint, dispute, contest, hearing, inquiry, inquest, audit, examination or other proceeding threatened or pending against, affecting or purporting to affect such Person or its property, whether civil, criminal, administrative, investigative or appellate, in law or equity before any arbitrator or Governmental Authority.

"**Pro Rata Portion**" means, with respect to a Purchaser and a group of Purchasers as of a particular date, the ratio of (i) the Subscription Amount of Securities purchased on or prior to such date by such Purchaser (including, for the avoidance of doubt its predecessors and assignors) that remain outstanding on such date to (ii) the sum of the aggregate Subscription Amounts of Securities purchased by all Purchasers (including, for the avoidance of doubt, their predecessors and assignors) in such group on or prior to such date that remain outstanding on such date.

"**Public Information Failure**" has the meaning ascribed to such term in **Section 4.3(b)**.

"**Public Information Failure Payments**" has the meaning ascribed to such term in **Section 4.3(b)**.

"**Purchaser Party**" has the meaning ascribed to such term in **Section 4.9**.

"**Registrable Securities**" means, as of any date of determination, (a) all of the Conversion Shares then issued and issuable upon conversion in full of the Notes (assuming on such date the Notes are converted in full without regard to any conversion limitations therein), (b) all shares of Common Stock issued and issuable as interest or principal on the Notes (without giving effect to any limitations on conversion set forth in the Notes) assuming all interest and principal payments are made in shares of Common Stock and the Notes are held until maturity and one year thereafter, (c) any additional shares of Common Stock issued and issuable in connection with any anti-dilution provisions in the Notes (without giving effect to any limitations on conversion set forth in the Notes), (d) all of the Warrant Shares then issued and issuable upon exercise in full of the Warrants (assuming on such date the Warrants are exercised in full without regard to any exercise limitations therein), (e) any additional shares of Common Stock issued and issuable in connection with any anti-dilution provisions in the Warrants (without giving effect to any limitations on conversion set forth in the Warrants), and (f) any securities issued or then issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing.

"**Registration Rights Agreement**" means that certain Registration Rights Agreement required to be delivered pursuant to **Section 2.4** of this Agreement, in form attached hereto as **Exhibit C** and otherwise in form and substance satisfactory to each Purchaser on the Closing Date.

"Regulation" means, all international, federal, state, provincial and local laws (whether civil or common law or rule of equity and whether U.S. or non- U.S.), treaties, constitutions, statutes, codes, tariffs, rules, guidelines, regulations, writs, injunctions, orders, judgments, decrees, ordinances and administrative or judicial precedents or authorities, including, in each case whether or not having the force of law, the interpretation or administration thereof by any Governmental Authority, all policies, recommendations or guidance of any Governmental Authority and all administrative orders, directed duties, directives, requirements, requests.

"**Related Parties**" of any Person means such Person, (i) each Affiliate of such Person, (ii) each Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, 5% or more of the Capital Stock having ordinary voting power in the election of directors of such Person or such Affiliate, (iii) each of such Person's or such Affiliate's officers, managers, directors, joint venture partners, partners and employees (and any other Person with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title or classification as a contractor under employment Regulations), (iv) any lineal descendants, ancestors, spouse or former spouses (as part of a marital dissolution) of any of the foregoing, (v) any trust or beneficiary of a trust of which any of the foregoing are the sole trustees or for the benefit of any of the foregoing. Notwithstanding the foregoing, the Purchaser and its Subsidiaries, on the one hand, and the Company Parties and their Subsidiaries, on the other hand, shall not be considered "**Related Parties**" of each other.

"**Required Filings**" means (a) any filing required pursuant to **Section 4.3** or **4.14**, (b) the notice and/or application(s) to each applicable Trading Market for the issuance and sale of the Securities and, if and as applicable, the listing of the Conversion Shares and Warrant Shares for trading thereon in the time and manner required thereby and (c) the filing of Form D with the Commission and such filings as are required to be made under applicable state securities laws.
"**Required Minimum**" means, as of any date, two (2) times the maximum aggregate number of shares of Common Stock then issued or potentially issuable in the future pursuant to the Transaction Documents, including any (a) Conversion Shares issuable upon conversion of the Notes, ignoring any conversion limits set forth therein, and assuming that the Conversion Price is at all times on and after the date of determination 100% of the then Conversion Price and (b) Warrant Shares issuable upon exercise of the Warrants, ignoring any exercise limits set forth therein, and assuming that the Exercise Price is at all times on and after the date of determination 100% of the then Exercise Price, in each case, on, if and as applicable, the Trading Day immediately prior to the date of determination.

"**Required Purchasers**" means Purchasers holding more than 50% of the principal amount of the Notes then outstanding, so long, if and as applicable as Alpha Capital Anstalt or its assigns holds at least $250,000 of the principal amount of its Note.

"Restricted Payment" means, for any Person, (a) any dividend, stock split or other distribution, direct or indirect (including by way of spin off, reclassification, corporate rearrangement, scheme of arrangement or similar transaction), on account of, or otherwise to the holder or holders of, any shares of any class of Capital Stock of such Person now or hereafter outstanding, (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of Capital Stock of such Person by such Person or any Affiliate thereof now outstanding and (c) other than the payments made to retire or to obtain the surrender of the Stock Equivalents in connection with the Management Buy-Out referenced in the Disclosure Schedule and in an aggregate amount not to exceed $7,000,000, any payment made to retire, or to obtain the surrender of, any Stock Equivalents now or hereafter outstanding; **provided**, that, for the avoidance of doubt, (i) a cashless exercise of an employee stock option in which options are cancelled to the extent needed such that the "in-the-money" value of the options (i.e. the excess of market price over exercise price) that are cancelled is utilized to pay the exercise price, and applicable taxes, shall not be a "**Restricted Payment**" and (ii) a distribution of rights (including rights to receive assets) or options shall constitute a "**Restricted Payment**".

"**Rule 144**" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"**Rule 424**" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"**Sanctioned Jurisdiction**" means, at any time, a country, territory or geographical region that is subject to, the target of, or purported to be subject to, Sanctions Laws.

"**Sanctions Laws**" means all applicable Regulations concerning or relating to economic or financial sanctions, requirements or trade embargoes imposed, administered or enforced from time to time by OFAC, including the following (together with their implementing regulations, in each case, as amended from time to time): the International Security and Development Cooperation Act (ISDCA) (22 U.S.C. §23499aa-9 et seq.); the Patriot Act; and the Trading with the Enemy Act (TWEA) (50 U.S.C. §5 et seq.).

"**Sanctioned Person**" means (a) any Person that is listed in the annex to, or otherwise subject to the provisions of, Executive Order 13224 – Blocking Property and Prohibiting Transactions with Persons Who Commit and Threaten to Commit or Support Terrorism, effective October 24, 2001; (b) any Person that is named in any Sanctions Laws-related list maintained by OFAC, including the "Specially Designated National and Blocked Person" list; (c) any Person or individual located, organized or resident or determined to be resident in a Sanctioned Jurisdiction that is, or whose government is, the target of comprehensive Sanctions Laws; (d) any organization or Person directly or indirectly owned or controlled by any such Person or Persons described in the foregoing clauses (a) through (c); and (e) any Person that commits, threatens or conspires to commit or supports "terrorism"," as defined in applicable United States Regulations.

"**Securities**" means the Notes, the Warrants, the Conversion Shares and the Warrant Shares.

"**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Security Agreement" means the Security Agreement, in the form attached hereto as **Exhibit E** and otherwise in form and substance satisfactory to the Purchasers on the Closing Date, delivered by the Company and each Subsidiary to each Purchaser hereunder and as of the Closing Date.

"**Shell Company**" means an entity that fits within the definition of "shell company" under Section 12b-2 of the Exchange Act and Rule 144.

"**Short Sales**" means all "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act.

"Stock Equivalents" means all securities and/or Indebtedness convertible into or exchangeable for Capital Stock or any other Stock Equivalent and all warrants, options, scrip rights, calls or commitments of any character whatsoever, and all other rights or options or other arrangements (including through a conversion or exchange of any other property) to purchase, subscribe for or acquire, any Capital Stock or any other Stock Equivalent, whether or not presently convertible, exchangeable or exercisable.

"**Subscription Amount**" means, as to any Purchaser, the aggregate amount to be paid for the Notes and Warrants purchased hereunder as specified on **Schedule I**.

"**Subsequent Financing**" has the meaning ascribed to such term in **Section 4.13**.

"**Subsequent Financing Notice**" has the meaning ascribed to such term in **Section 4.13(b)**.

"**Subsidiary**" means (a) any subsidiary of the Company, and (b) any Person (other than natural persons) the management of which is, directly or indirectly, controlled by, or of which an aggregate of 50% or more of the outstanding Voting Stock is, at the time, owned or controlled, directly or indirectly, by such Person or one or more Subsidiaries of such Person.

"**Taxes"** means any present or future taxes, levies, imposts, duties, fees, assessments, deductions, withholdings or other charges of whatever nature, including income, receipts, excise, property, sales, use, transfer, license, payroll, withholding, social security and franchise taxes now or hereafter imposed or levied by the United States or any other Governmental Authority and all interest, penalties, additions to tax and similar liabilities with respect thereto, but excluding, in the case of any Purchaser, taxes imposed on or measured by the net income or overall gross receipts of such Purchaser.

"**Third Party Exchange Transfer**" has the meaning ascribed to such term in **Section 4.11(b).**

"**Trading Day**" means a day on which the principal Trading Market for the Common Stock is open for trading.

"**Trading Market**" means any of the following markets or exchanges on which the Common Stock will, in accordance with the terms hereof, be listed or quoted for trading on the date in question: the NYSE American; the Nasdaq Capital Market; the Nasdaq Global Market; the Nasdaq Global Select Market; the New York Stock Exchange; OTC Markets; the OTC Bulletin Board or the OTC Markets Group Inc. PINK (or any successors to any of the foregoing).

"**Transaction Documents**" means this Agreement, the Disclosure Schedule, the Notes, the Warrants, the Registration Rights Agreement, the Security Agreement, the Guaranty, the Transfer Agent Instruction Letters, and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"**Transfer Agent**" means vStock and any successor transfer agent for the Company's Common Stock, which has been agreed to in writing by the Purchasers.

"**Transfer Agent Instruction Letter**" means the letter from the Company to the Transfer Agent, duly acknowledged and agreed by the Transfer Agent, which instructs the Transfer Agent to issue the Conversion Shares and Warrant Shares pursuant to the Transaction Documents, in form attached hereto as **Exhibit D** and otherwise in form and substance satisfactory to the Purchasers on the Closing Date.

"**UCC**" means the Uniform Commercial Code as from time to time in effect in the State of New York;**provided**, that, in the event that, by reason of mandatory provisions of any applicable Regulation, the attachment, perfection or priority of any security interest in any collateral is governed by the Uniform Commercial Code of a jurisdiction other than the State of New York, "**UCC**" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of the definitions related to or otherwise used in such provisions.

"Variable Rate Transaction" has the meaning ascribed to such term in**Section 4.11(a)**.

"Voting Stock" means Capital Stock of any Person (i) having ordinary power to vote in the election of any member of the board of directors or any manager, trustee or other controlling persons of such Person (irrespective of whether, at the time, Capital Stock of any other class or classes of such entity shall have or might have voting power by reason of the happening of any contingency) and (ii) any Capital Stock of such Person convertible or exchangeable without restriction at the option of the holder thereof into Capital Stock of such Person described in clause (i) of this definition.

"**Warrants**" means the warrants to purchase in the aggregate 570,478,452 shares of Common Stock, in the form attached as **Exhibit B** to this Agreement.

"**Warrant Shares**" shall have the meaning ascribed to such term in the Warrants.

ARTICLE II - PURCHASE AND SALE

II.1 **Purchase**. On the Closing Date, upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Purchasers will purchase, severally and not jointly, an aggregate of (a) $1,000,000 in Subscription Amount of Notes, which Subscription Amount shall correspond to an aggregate of $1,111,000 in Initial Principal Amount of Notes to reflect an original issue discount of ten percent (10%) and (b) Warrants. The purchase will be completed in a single tranche as provided herein.

II.2 **Closing**. Upon the terms and subject to the conditions set forth herein, the Company agrees to sell, and each Purchaser agrees, severally and not jointly, to purchase, at the Closing (a) a Note having a principal amount equal to the Initial Principal Amount applicable to such Purchaser, and (b) a Warrant having the number of Warrant Shares applicable to such Purchaser, in each case, as set forth on **Schedule I**. At the Closing, such Purchaser shall deliver to the Company, via wire transfer to an account designated by the Company, immediately available Dollars equal to such Purchaser's Subscription Amount, and the Company shall deliver to such Purchaser its Notes and Warrants, as set forth in **Section 2.3(a)**, and the Company and such Purchaser shall deliver to each other the other items set forth in **Section 2.3** deliverable at the Closing. Upon satisfaction of the covenants and conditions set forth in**Sections 2.3** and **2.4** for Closing, such Closing shall occur remotely by electronic exchange of Closing documentation. Notwithstanding anything herein to the contrary, if the Closing Date does not occur within five (5) Business Days of the date hereof, this Agreement shall terminate and be null and void.

It is the parties' intention that all the transactions described in the preamble to this Agreement close simultaneously; to this end, the parties agree that their counsel may, among other things, hold documents in escrow pending the closing of the other transactions under the Merger Transaction Documents. If all of the transactions contemplated by the Merger Transaction Documents do not close as contemplated hereby and thereby on their unamended and unwaived terms unless approved by each Purchaser then each Purchaser, at its sole option and in its sole discretion, may terminate this Agreement on notice to the Company with respect to such Purchaser. In such event, the Company shall be obligated to fulfill its covenants hereunder, including, without limitation, its indemnification obligations and obligation to pay Purchasers' fees and expenses, which by their terms survive the termination of this Agreement.

II.3 **Deliveries.**

(a) **Deliveries to Purchasers.** On or prior to the Closing (except as noted), the Company shall deliver or cause to be delivered to each Purchaser the following, each dated as of the Closing Date and in form and substance satisfactory to such Purchaser:

(i) this Agreement, duly executed by the Company;
(ii) a final Disclosure Schedule, duly executed by the Company;
(iii) a Note for such Purchaser duly executed by the Company with an aggregate Initial Principal Amount equal to the amount set forth on **Schedule I**, registered in the name of such Purchaser;

(iv) a Warrant for such Purchaser duly executed by the Company exercisable for such number of Warrant Shares set forth on **Schedule I**, registered in the name of such Purchaser;
(v) the Registration Rights Agreement, duly executed by the Company;
(vi) the Security Agreement, duly executed by the Company and its Subsidiaries;
(vii) the Guaranty, duly executed by the Company and its Subsidiaries;
(viii) the Transfer Agent Instruction Letters, duly executed by the Transfer Agent in addition to the Company;
(ix) by no later than October 23, 2020, legal opinions of counsel to the Company (including local counsel as may be requested by such Purchaser) in form and substance acceptable to such Purchaser; an officer's certificate and compliance certificate from each Company Party, each in form and substance acceptable to such Purchaser; and
(x) a closing statement, in form and substance acceptable to such Purchaser, and such other opinions, statements, agreements and other documents as such Purchaser may require.

(b) **Deliveries to the Company.** On or prior to the Closing, each Purchaser shall deliver or cause to be delivered to the Company, as applicable, the following, each duly executed by such Purchaser and dated as of the Closing Date:

(i) this Agreement;
(ii) the Registration Rights Agreement;
(iii) the Security Agreement, duly executed by the Purchasers;
(iv) the Guaranty, duly executed by the Purchasers;
(v) the Transfer Agent Instruction Letters, duly executed by the Purchaser; and
(vi) the Purchaser's Subscription Amount for the Note and the Warrant being purchased by such Purchaser at the Closing by wire transfer to the account specified in writing by the Company.

II.4 **Closing Conditions.**

(a) **Conditions to the Company's Obligations.** The obligations of the Company pursuant to **Section 2.2** in connection with the Closing are subject to the satisfaction, or waiver in accordance with this Agreement, of the following conditions on or before the Closing Date:

(i) the transactions contemplated by the Merger Transaction Documents have closed in accordance with their respective terms;
(ii) the representations and warranties of each Purchaser contained herein shall be true and correct as of the Closing Date (unless expressly made as of an earlier date herein in which case they shall be accurate as of such date);
(iii) all obligations, covenants and agreements required to be performed by any Purchaser on or prior to the Closing Date (other than the obligations set forth in **Section 2.3** to be performed at the Closing) shall have been performed; and
(iv) the delivery by each Purchaser of the items such Purchaser is required to deliver prior to the Closing Date pursuant to **Section 2.3(b)**.

(b) **Conditions to each Purchaser's Obligations.** The respective obligations of each Purchaser and pursuant to **Section 2.2** in connection with the Closing are subject to the satisfaction, or waiver in accordance with this Agreement, of the following conditions on or before the Closing Date, both before and after giving effect to the Closing:

(i) the transactions contemplated by the Merger Transaction Documents have closed in accordance with their respective terms without waiver or amendment unless approved by each Purchaser;
(ii) the representations and warranties of each Company Party contained in any Transaction Document shall be true and correct as of the Closing Date in all respects (without regard to any materiality qualifier) (unless expressly made as of an earlier date herein in which case they shall be accurate as of such date);
(iii) all obligations, covenants and agreements required to be performed by any Company Party or any on or prior to the Closing Date pursuant to any Transaction Document (other than the obligations set forth in **Section 2.3** to be performed at the Closing) shall have been performed;
(iv) the delivery by each Company Party of the items such Company Party is required to deliver on or prior to the Closing Date pursuant to **Section 2.3(a)**;
(v) there shall exist no Event of Default (as defined in the Notes) and no event which, with the passage of time or the giving of notice, would constitute an Event of Default;

(vi) there shall be no breach of any obligation, covenant or agreement of any Company Party under the Transaction Documents and no existing event which, with the passage of time or the giving of notice, would constitute such a breach;

(vii) no Material Adverse Effect shall have occurred from the date hereof through the Closing Date;

(viii) from the date hereof through the Closing Date, trading in the shares of Common Stock shall not have been suspended by the Commission or the Company's principal Trading Market and, at any time prior to the Closing Date, trading in securities generally as reported by Bloomberg L.P. shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Trading Market, nor shall a banking moratorium have been declared either by the United States or New York State authorities nor shall there have occurred any material outbreak, including, without limitation, a pandemic, or escalation of hostilities or other national or international calamity of such magnitude in its effect on, or any material adverse change in, any financial market which, in each case, in the reasonable judgment of such Purchaser, and without regard to any factors unique to such Purchaser, makes it impracticable or inadvisable to purchase the Securities at the Closing;

(ix) the Company meets the current public information requirements under Rule 144 in respect of the Conversion Shares or Warrant Shares and or any other Registrable Securities or other shares of Common Stock issuable under the Notes or the Warrants; and

(x) any other conditions contained herein or the other Transaction Documents, including delivery of the items that any Company Party is required to deliver on or prior to the Closing Date pursuant to **Section 2.3**.

ARTICLE III - REPRESENTATIONS AND WARRANTIES

III.1 **Representations and Warranties of the Company Parties**. The Company hereby makes the following representations and warranties, which representations and warranties encompass Unique Logistics as a Subsidiary and Company Party and include each such representation and warranty by Acquisition Subsidiary, Unique Logistics and Split-Off Purchaser in any document or agreement delivered and deliverable by the foregoing in connection with the Merger, as if fully set forth herein, except to the extent modified in this Agreement (and, to the extent provided in any other Transaction Document, each other Company Party (inclusive of Unique Logistics) makes the following representations and warranties as, and to the extent applicable to, such Company Party) to each Purchaser as of the Closing Date as to each Company Party, each subject to the exceptions set forth in the Disclosure Schedule, which Disclosure Schedule is deemed a part hereof and qualifies any representation or otherwise made herein to the extent of the disclosure contained in the corresponding section of the Disclosure Schedule:

(a) **Subsidiaries**. All of the direct and indirect Subsidiaries of the Company are set forth in Section 3.1(a) of the Disclosure Schedule. The Company owns, directly or indirectly, all of the Capital Stock and Stock Equivalents of each Subsidiary free and clear of any Liens and all of the issued and outstanding shares of Capital Stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities.

(b) **Organization and Qualification**. Each Company Party is a Person having the corporate form listed inSection 3.1(b) of the Disclosure Schedule, duly organized, validly existing and in good standing under the laws of its jurisdiction of organization listed in Section 3.1(b) of the Disclosure Schedule and is duly qualified or licensed to transact business in its jurisdiction of organization, the jurisdiction of its principal place of business, any other jurisdiction where such qualification is necessary to conduct its business or own the property it purports to own, except where the failure to do so would not have a Material Adverse Effect – and no Proceeding exists or has be instituted or threatened in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification. Each Company Party has the right, power and authority to enter into and discharge all of its obligations under each Transaction Document to which it purports to be a party, each of which constitutes a legal, valid and binding obligation of such Company Party, enforceable against it in accordance with its terms, subject only to bankruptcy and similar Regulations affecting creditors' rights generally; and has the power, authority, Permits and Licenses to own its property and to carry on its business as presently conducted. No Company Party is engaged in the business of extending credit (which shall not include intercompany credit among the Company Parties) for the purpose of purchasing or carrying margin stock or any cryptocurrency, token or other blockchain asset.

(c) **Authorization; Enforcement**. The execution, delivery, performance by each Company Party of its obligations, and exercise by such Company Party of its rights under the Transaction Documents, including, if applicable, the sale of Notes and Warrants and other securities under this Agreement, (i) have been duly authorized by all necessary corporate actions of such Company Party, (ii) except for the Required Filings and the consent of CoreFund, which shall have been obtained prior to execution of this Agreement, do not require any Consents or Permits that have not been obtained prior to the date hereof and each such Permit or Consent is in full force and effect and not subject of any pending or, to the best of any Company Party's knowledge, threatened, attack or revocation, (iii) are not and will not be in conflict with or prohibited or prevented by or create a breach under (A) except for those that do not have a Material Adverse Effect, any Regulation or Permit, (B) any corporate governance document or resolution or (C) except for those that do not have a Material Adverse Effect, any Contractual Obligation or provision thereof binding on such Company Party or affecting any property of such Company Party and (iv) will not result in the imposition of any Liens except for the benefit of the Purchasers. Upon execution and delivery thereof, each Transaction Document to which such Company Party purports to be a party shall constitute the legal, valid and binding obligation of such Company Party, enforceable against such Company Party in accordance with its terms.

(d) **Issuance of the Securities**. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents. The Conversion Shares and Warrant Shares, when issued in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents. The Company has reserved from its duly authorized Capital Stock a number of shares of Common Stock for issuance of the Conversion Shares and Warrant Shares at least equal to the Required Minimum on the date hereof or as provided for in **Section 4.10(a)**.

(e) **Capitalization**. The capitalization of the Company is as set forth inSection 3.1(e) of the Disclosure Schedule, which also includes the number of shares of Common Stock owned beneficially, and of record, by Affiliates of the Company as of the date hereof. The Company has not issued any Capital Stock or Stock Equivalent since its most recently filed periodic report under the Exchange Act except (i) as set forth in Section 3.1(e) of the Disclosure Schedule, (ii) for the issuance of shares of Common Stock to employees pursuant to the Company's employee stock purchase plans and (iii) pursuant to the conversion and/or exercise of Common Stock Equivalents outstanding as of the date of the most recently filed periodic report under the Exchange Act as set forth in Section 3.1(e) of the Disclosure Schedule. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in, or triggered by, the transactions contemplated by the Transaction Documents (including the issuance of the Conversion Shares upon conversion of the Notes or the Warrant Shares upon exercise of the Warrants in accordance with their terms) as set forth in Section 3.1(e) of the Disclosure Schedule. There are no outstanding Stock Equivalents with respect to any shares of Common Stock, and there are no Contractual Obligations by which the Company or any Subsidiary is or may become bound to issue additional shares of Common Stock or Common Stock Equivalents except as set forth in Section 3.1(e) of the Disclosure Schedule. The issuance and sale of the Securities will not obligate the Company to issue shares of Common Stock or any other securities to any Person (other than to any Purchaser) and will not result in a right of any holder of securities issued by any Company Party to adjust the exercise, conversion, exchange or reset price under any Stock Equivalent, except as set forth in Section 3.1(e) of the Disclosure Schedule. All of the outstanding shares of Capital Stock of the Company are duly authorized, validly issued, fully paid and nonassessable, have been issued in compliance with all securities Regulations, and no such outstanding share was issued in violation of any preemptive right or similar or other right to subscribe for or purchase securities or any other existing Contractual Obligation. No further approval or authorization of any stockholder or the Board of Directors, and no other Permit or Consent (other than with respect to Corefund, which shall have been obtained prior to the execution of this Agreement), is required for the issuance and sale of the Securities. There are no stockholders' agreements, voting agreements or other similar Contractual Obligations with respect to the Company's Capital Stock or Stock Equivalents to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders or other equity investors.

(f) **Financial Statements**. Section 3.1(f)(1) of the Disclosure Schedule contains the audited consolidated balance sheets, statements of operations and statements of cash flows (the "**Audited Financial Statements**") of certain of the Company and the Subsidiaries as at and for the annual periods ended December 31, 2019 and 2018. Section 3.1(f)(2) of the Disclosure Schedule contains the unaudited consolidated balance sheets, statements of operations and statements of cash flows (the "**Unaudited Financial Statements**") of certain of the Company and the Subsidiaries as at and for the eight month period ended August 31, 2020. Section 3.1(f)(3) of the Disclosure Schedule contains the proforma consolidated balance sheets, statements of operations and statements of cash flows and Section 3.1(f)(3) of the Disclosure Schedule contains the consolidated, unaudited balance sheets and income statements of Unique Logistics, each as at July 31, 2020 (the "**Proforma Financial Statements**") of certain ofthe Company and the Subsidiaries after giving effect to the transactions contemplated by the Merger Transaction Documents]. The Audited Financial Statements, the Unaudited Financial Statements, and the Proforma Financial Statements are hereinafter sometimes collectively referred to as the "**Financial Statements**." The Financial Statements have been prepared from the books and records of the Company and the Subsidiaries and in conformity with GAAP, consistently applied, except in each case as described in the notes thereto and as set forth on the Sections of Disclosure Schedules set forth above, In addition, the Financial Statements of the Company comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of preparation and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to customary and immaterial year-end audit adjustments.

(g) **Material Adverse Effects; Undisclosed Events, Liabilities or Developments**. Since the date of the latest audited financial statements delivered to the Purchasers: (i) there has been no event that has had, or could reasonably be expected to result in, a Material Adverse Effect, (ii) no Company Party has incurred any Indebtedness or other liability (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice (B) liabilities not required by GAAP to be reflected in the Company's financial statements and not required to be disclosed in filings made with the Commission, and (C) Indebtedness in favor of Corefund; (iii) no Company Party has altered its fiscal year or accounting methods; (iv) no Company Party has declared or made any Restricted Payment or entered in any Contractual Obligation to do so, (v) no Company Party has issued any Capital Stock to any officer, director or other Affiliate, and (vi) there has been no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to any Company Party, their Subsidiaries or their respective businesses, properties, operations, assets or financial condition, that would be required to be disclosed by any Company Party under applicable securities Regulations at the time this representation is made or deemed made that has not been publicly disclosed at least one (1) Trading Day prior to the date that this representation is made.

(h) **Litigation**. There is no Proceeding against any Company Party or any Subsidiary of any Company Party or any current or former officer or director of any Company Party or any Subsidiary of any Company Party in its capacity as such which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities, (ii) involves the Commission or otherwise involves violations of securities Regulations or (iii) could, assuming an unfavorable result, have or reasonably be expected to result in a Material Adverse Effect, and none of the Company Parties, their Subsidiaries, or any director or officer of any of them, is or has been the subject of any Proceeding involving a claim of violation of or liability under securities Regulations or a claim of breach of fiduciary duty. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act.

(i) **Labor Relations**. There is no (i) no unfair labor practice at any Company Party and there is no unfair labor practice complaint pending against any Company Party or any Subsidiary of any Company Party or, to their knowledge of any Company Party, threatened against any of them before the National Labor Relations Board and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement that is so pending against any Company Party or any Subsidiary of any Company Party or to their knowledge threatened against any of them, (ii) no strike, work stoppage or other labor dispute in existence or to their knowledge threatened involving any Company Party or any Subsidiary of any Company Party, and (iii) no union representation question existing with respect to the employees of any Company Party or any Subsidiary of any Company Party, as the case may be, and no union organization activity that is taking place, except (with respect to any matter specified in clause (i), (ii) or (iii) above, either individually or in the aggregate) such as could not reasonably likely to have a Material Adverse Effect. None of the Company's or its Subsidiaries' employees is a member of a union that relates to such employee's relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement. To the knowledge of the Company, the continued service to the Company of the executive officers of the Company Parties and their Subsidiaries is not, and is not expected to be, in violation of any material term of any Contractual Obligation in favor of any third party, and does not subject any Company Party or any Subsidiary of any Company Party to any Loss with respect to any of the foregoing matters.

(j) **Compliance**. No Company Party and no Subsidiary thereof, except as could not have or reasonably be expected to result in a Material Adverse Effect: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has any Company Party or any Subsidiary thereof received notice of a claim that it is in default under or that it is in violation of, any Contractual Obligation (whether or not such default or violation has been waived); (ii) is in violation of any judgment, decree or order of any Governmental Authority; (iii) is or has been in violation of any Regulation, and to the knowledge of each Company Party, no Person has made or threatened to make any claim that such a violation exists (including relating to taxes, environmental protection, occupational health and safety, product quality and safety, employment or labor matters) or (iv) has incurred, or could reasonably be expected to incur Losses relating to compliance with Regulations (including clean-up costs under environmental Regulations), nor have any such Losses been threatened.

(k) **Permits**. Each Company Party and its Subsidiaries possess all Permits, each issued by the appropriate Governmental Authority, that are necessary to conduct their respective businesses and which failure to possess could reasonably be expected to result in a Material Adverse Effect and no Company Party nor any Subsidiary thereof has received any notice of proceedings relating to the revocation or modification of any such Permit.

(l) **Title to Assets**. Each Company Party has good and marketable title in fee simple to all real property owned by it and good title in fee simple to all personal property owned or purported to be owned by any of them that is material to the business of any Company Party, in each case free and clear of all Liens except for (i) Liens that do not materially affect the value of any such property and do not materially interfere with the use made and proposed to be made of such property by the Company Parties, (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made therefor in accordance with GAAP and, the payment of which is neither delinquent nor subject to penalties and (iii) Liens in favor of CoreFund. Any real property and facilities held under lease by any Company Party (and any personal property if such lease is material to the business of any Company Party) are held by them under valid, subsisting and enforceable leases with which the Company Parties party thereto are in compliance.

(m) **Intellectual Property**. Except where the failure to do so would not have a Material Adverse Effect, each Company Party has, or has rights to use, all Intellectual Property Rights they purport to have or have rights to use, which, in the aggregate for all such Company Party, constitute all Intellectual Property Rights necessary or required for use in connection with the businesses of the Company Parties as presently conducted. No Company Party has received a notice (written or otherwise) that any of the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned, within two (2) years from the date of this Agreement, and, to the knowledge of each Company Party no event has occurred that permits, or would permit after notice or passage of time or both, the revocation, suspension or termination of such rights. No Company Party has received, since the date of the latest audited financial statements included within the delivered to the Purchasers, a written notice of a claim, nor has such a claim been threatened or could reasonably be expected to be made, and no Company Party otherwise has any knowledge that any slogan or other advertising device, product, process, method, substance or other Intellectual Property or goods or services bearing or using any Intellectual Property Right presently contemplated to be sold by or employed by Intellectual Property Right of any Company Party violate or infringe upon the rights of any Person, except as could not reasonably be expected to have a Material Adverse Effect. To the knowledge of each Company Party, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. Each Company Party has taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Company Party has any Intellectual Property Right registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, other than those set forth in Section 3.1(m) of the Disclosure Schedule, or has granted any licenses with respect thereto other than as set forth in Section 3.1(m) of the Disclosure Schedule. Section 3.1(m) of the Disclosure Schedule also sets forth all Contractual Obligations or other arrangements of any Company Party as in effect on the date hereof pursuant to which such Company Party has a license or other right to use any Intellectual Property owned by another Person and the dates of the expiration of such Contractual Obligations or other arrangements (collectively, together with such Contractual Obligations or other arrangements as may be entered into by any Company Party after the date hereof, the "**License Agreements**"). All material License Agreements and related rights are in full force and effect, no default or event of default exists with respect thereto in respect of the obligations of licensor or with respect to any royalty or other payment obligations of any Company Party or any obligation of any Company Party with respect to manufacturing standards, quality control or specifications and each such Company Party is in compliance with the terms thereof in all material respects and no owner, licensor or other party thereto has sent any notice of termination or its intention to terminate such license or rights.

(n) **Transactions with Related Parties**. No Company Party is a party to any Contractual Obligation or other transaction with any Related Party that is not a Company Party, including (a) Investments by any Company Party in any such other Related Party or Indebtedness owing by or to any such other Related Party and (b) transfers, sales, leases, assignments or other acquisitions or dispositions of any asset, in each case except for (x) transactions in the ordinary course of business on a basis no less favorable to the Company Parties as would be obtained in a comparable arm's length transaction with a Person not a Related Party and (y) salaries and other director or employee or other staff compensation, including expense reimbursements and employee benefits, of the Company Parties.

(o) **[Reserved]**.

(p) **Certain Fees**. No brokerage or finder's fees or commissions or similar fees are or will be payable by any Company Party to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. No Purchaser shall have any obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this **Section 3.1(p)** that may be due in connection with the transactions contemplated by the Transaction Documents.

(q) **Private Placement**. Assuming the accuracy of each Purchaser's representations and warranties set forth in **Section 3.1**(pp), no registration under the Securities Act is required for the offer and sale of the Securities by the Company to the Purchasers as contemplated hereby. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market.

(r) **Investment Company**. No Company Party is, or is an Affiliate of (and, immediately after receipt of payment for the Securities and before and after giving effect to the use of the proceeds thereof, none will be or be an Affiliate of), an "investment company" within the meaning of the Investment Company Act of 1940, as amended. Each Company Party shall conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended.

(s) **Registration Rights**. No Person has any right to cause any Company Party to effect the registration under the Securities Act of any securities of any Company Party, except for the Purchasers.

(t) **Listing and Maintenance Requirements**. The shares of Common Stock are registered pursuant to Section 12(g) of the Exchange Act, and the Company has taken no action designed to, or which to the knowledge of the Company is likely to have the effect of, terminating the registration of the shares of Common Stock under the Exchange Act nor has the Company received any notification that the Commission is contemplating terminating such registration. The Company has not, in the twelve (12) months preceding the date hereof, received notice from any Trading Market on which the shares of Common Stock are or have been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market. The Company is and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements.

(u) **Application of Takeover Protections**. The Company and the Board of Directors (or equivalent body) have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's Certificate of Incorporation (or similar charter documents) or the laws of its state of incorporation that is or could become applicable as a result of the Purchasers and the Company fulfilling their respective obligations or exercising their respective rights under the Transaction Documents, including as a result of the Company's issuance of the Securities and the ownership of the Securities by any Purchaser or any Affiliate of any Purchaser.

(v) **Disclosure**. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, each Company Party confirms that none of the Company Parties, their Affiliates, or agents or counsel or any other Person acting on behalf of the foregoing has provided any Purchaser, any Purchaser Party or their agents or counsel with any information that it believes constitutes or might constitute material, non-public information. The Company understands and confirms that each Purchaser will rely on the foregoing representation in effecting transactions in securities of the Company. All of the disclosures furnished by or on behalf of any Company Party or any Affiliate thereof to any Purchaser regarding the Company Parties and their Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedule, are true and correct and do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The press releases disseminated by the Company Parties during the twelve (12) months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made and when made, not misleading. Each Company Party acknowledges and agrees that no Purchaser makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in **Section 3.1**(pp).

(w) **No Integrated Offering**. Assuming the accuracy of each Purchaser's representations and warranties set forth in **Section 3.1**(pp), no Company Party, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of (i) the Securities Act which would require the registration of any such securities under the Securities Act, or (ii) any applicable shareholder approval provisions of any Trading Market on which any of the securities of the Company are listed or designated.

(x) **No General Solicitation**. Neither the Company nor any person acting on behalf of the Company has offered or sold any of the Securities by any form of general solicitation or general advertising. The Company has offered the Securities for sale only to the Purchasers and certain other "accredited investors" within the meaning of Rule 501 under the Securities Act.

(y) **Foreign Corrupt Practices**. No Company Party and no Related Party of any Company Party, has done any of the following, directly or indirectly (including through agents, contractors, trustees, representatives and advisors): (i) made contributions or payments of, or reimbursement for, gifts, entertainment or other expenses, in each case that could reasonably be viewed as unlawful under U.S. or other Regulations related to foreign or domestic political activity or (ii) made payments to U.S. or other officials, judges, employees or other staff members of any Governmental Authority or other Persons viewed as government officials under any Regulation or to any foreign or domestic political parties, elected or union officials or campaigns in order to obtain, retain or direct business or obtain any improper advantage, and no part of the proceeds of the Notes will be used, directly or indirectly, to fund any such payment; (iii) failed to disclose fully any contribution or other payment made by any Company Party or any Subsidiary of any Company Party (or made by any person acting on the behalf of any of the foregoing) which could reasonably be viewed as in violation of U.S. or other Regulations; or (iv) any other activity in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, or any other Regulation sanctioning or purporting to sanction bribery, corruption and other improper payments.

(z) **Accountants**. Marcum LLP. (the "**Accountants**") is and has been throughout the periods covered by the Financial Statements and through the date hereof (a) a registered public accounting firm (as defined in Section 2(a)(12) of the Sarbanes-Oxley Act of 2002), (b) "independent" with respect to the Company within the meaning of Regulation S-X and (c) in compliance with subsections (g) through (l) of Section 10A of the Exchange Act and the related rules of the SEC and the Public Company Accounting Oversight Board. Section 3.1(z) of the Disclosure Schedule lists all non-audit services performed by the Accountants for the Company and/or any of its Subsidiaries. Except as set forth on such Section of the Disclosure Schedule, the report of the Accountants on the Financial Statements for the past fiscal year did not contain an adverse opinion or a disclaimer of opinion, or was qualified as to uncertainty, audit scope, or accounting principles. During the Company's most recent fiscal year and the subsequent interim periods, there were no disagreements with the Accountants on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures. None of the reportable events listed in Item 304(a)(1)(iv) or (v) of Regulation S-K occurred with respect to the Company. Section 3.1(z) of the Disclosure Schedule contains all management letters and other communications between the Company and the Accountants. The Company's next periodic SEC Report is due by no later than December 14, 2020.

(aa) **No Disagreements with Accountants and Lawyers**. There are no disagreements of any kind presently existing, or reasonably anticipated by any Company Party to arise, between the Company and the accountants and lawyers formerly or presently employed by the Company and the Company is current with respect to any fees owed to its accountants and lawyers which could affect the Company's ability to perform any of its obligations under any of the Transaction Documents.

(bb) **Acknowledgment Regarding Purchasers' Purchase of Securities**. The Company acknowledges and agrees that each Purchaser is acting solely in the capacity of an arm's length purchaser and not as a part of a group, as such term is defined in Section 13(d) of the Exchange Act, with respect to the Transaction Documents and the transactions contemplated thereby. The Company further acknowledges that no Purchaser is acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by any Purchaser, Purchaser Party or any of their respective representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchasers' purchase of the Securities. The Company further represents to each Purchaser that the Company's decision to enter into this Agreement and the other Transaction Documents has been based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.

(cc) **Regulation M Compliance**. The Company has not, and to its knowledge no Company Party, Subsidiary of any Company Party or no one acting on any of their behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities, (ii) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities, or (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company, other than, in the case of clauses (ii) and (iii), compensation paid to the Company's placement agent in connection with the placement of the Securities.

(dd) **Stock Option Plans**. The Company has not knowingly granted, and there is no and has been no Company policy or practice to knowingly grant, stock options prior to, or otherwise knowingly coordinate the grant of stock options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.

(ee) **Sanctions**. No Company Party and no Related Party of any Company Party, directly or indirectly (including through agents, contractors, trustees, representatives or advisors) (a) is in violation of any Sanctions Law or engages in, or conspire or attempts to engage in, any transaction evading or avoiding any prohibition in any Sanction Law, (b) is a Sanctioned Person or derive revenues from investments in, or transactions with Sanctioned Persons, (c) has any assets located in Sanctioned Jurisdictions or (d) deals in, or otherwise engages in any transactions relating to, any property or interest in property blocked pursuant to any Regulation administered or enforced by the U.S. Office of Foreign Assets Control ("**OFAC**"). The Borrower will not use, directly or indirectly, any part of the proceeds of any Note hereunder to fund, and none of the Borrower or its Related Parties, either directly or indirectly (including through agents, contractors, trustees, representatives or advisors), are engaged in any operations involving, the financing of any investments or activities in, or any payments to, a Sanctioned Person.

(ff) **U.S. Real Property Holding Corporation**. The Company is not and has never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company shall so certify upon any Purchaser's request.

(gg) **Bank Holding Company Act and Other Limiting Regulations**. No Company Party and no Affiliate of any Company Party is subject to the Bank Holding Company Act of 1956, as amended (the "**BHCA**") and to regulation by the Board of Governors of the Federal Reserve System (the "**Federal Reserve**"). No Company Party and no Subsidiary or Affiliate of any Company Party owns or controls, directly or indirectly, individually or in the aggregate, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. No Company Party and no Subsidiary or Affiliate of any Company Party, either individually or in the aggregate, directly or indirectly, exercise or has the ability to exercise a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. The Company is not an "investment company" and is not a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940. The Company is not subject to regulation under the Public Utility Holding Company Act of 2005, the Federal Power Act, the Interstate Commerce Act or the Investment Company Act of 1940 or to any Regulation or Permit limiting the Company's ability to incur indebtedness for borrowed money.

(hh) **Promotional Stock Activities**. No Company Party and none of its officers, directors, managers, affiliates or agents have engaged in any stock promotional activity that could give rise to a complaint, inquiry, or trading suspension by the Securities and Exchange Commission alleging (i) a violation of the anti-fraud provisions of the federal securities laws, (ii) violations of the anti-touting provisions, (iii) improper "gun-jumping; or (iv) promotion without proper disclosure of compensation.

(ii) **Tax Status**. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Company Parties (i) have made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) have paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) have set aside on their respective books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company Parties know of no basis for any such claim.

(jj) **Seniority**. As of the Closing Date, except for the Indebtedness set forth inSection 3.1(jj) of the Disclosure Schedule, including, but not limited to any Indebtedness in favor of Corefund, and Indebtedness having an outstanding principal amount as of the Closing Date not exceeding $9,000,000.00, no Indebtedness or other claim against any Company Party is senior in right of payment to the Notes or the obligations due thereunder or their guaranties, whether with respect to interest or upon liquidation or dissolution, or otherwise, other than indebtedness secured by purchase money security interests (which is senior only as to underlying assets covered thereby) and capital lease obligations (which is senior only as to the property covered thereby).

(kk) **AML/CTF Regulations**. The operations of the Company Parties and their Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970 and other applicable money laundering and counter-terrorism financing Regulations (collectively, the "**AML/CTF Regulations**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving any Company Party or any Subsidiary of any Company Party with respect to any AML/CTF Regulation is pending or, to the knowledge of any Company Party or any such Subsidiary, threatened.

(ll) **Disqualification Events**. With respect to the Securities to be offered and sold hereunder in reliance on Rule 506(b) of Regulation D promulgated under the Securities Act, none of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the offering hereunder, any beneficial owner of twenty percent (20%) or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as such term is defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of sale (as each such term is used and understood in Rule 506(d) of Regulation D under the Securities Act, each a "**Company Covered Person**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) of Regulation D under the Securities Act (a "**Disqualification Event**"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) of Regulation D under the Securities Act. The Company has exercised reasonable care to determine whether any Company Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e) of Regulation D promulgated under the Securities Act and has furnished to the Purchaser a copy of any disclosures provided thereunder. The Company will notify each Purchaser in writing, prior to the Closing Date, of (i) any Disqualification Event relating to any Company Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Company Covered Person.

(mm) **No Other Covered Persons.** There is no Person (other than a Company Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of the Purchaser in connection with the sale of any Securities.

(nn) **Subsidiary Rights**. Each Company Party has the unrestricted right to vote, and (subject to limitations imposed by applicable law) to receive dividends and distributions on, all capital securities of its Subsidiaries as owned by any Company Party or any Subsidiary of any Company Party.

(oo) **Continuity of Business.** Following the consummation of the transactions contemplated by the Merger Transaction Documents, the Company and the Surviving Corporation, as such term is defined in the Merger Agreement, will continue Unique Logistics' historic business or use a significant portion of Unique Logistics' historic business assets in a business as required by Section 368 of the Code and the Treasury Regulations promulgated thereunder.

(pp) **Solvency**. After giving effect to all of the transactions contemplated by the Merger Agreement and the other Merger Transaction Documents, the Company and its Subsidiaries will be Solvent. The Parties to the Merger Agreement do not intend, in consummating the transactions contemplated therein, to hinder, delay or defraud either present or future creditors. "**Solvent**" means, with respect to any Person on any date of determination, (1) the amount of the "fair saleable value" of the assets of such person will, as of such date, exceed the sum of (A) the value of all "liabilities of such Person, including contingent and other liabilities," as of such date, as such quoted terms are generally determined in accordance with applicable laws governing determinations of the insolvency of debtors, and (B) the amount that will be required to pay the probable liabilities of such person, as of such date, on its existing debts (including contingent and other liabilities) as such debts become absolute and mature, (2) such Person will not have, as of such date, an unreasonably small amount of capital for the operation of the businesses in which it is engaged or proposed to be engaged following such date, and (3) such Person will be able to pay its liabilities, as of such date, including contingent and other liabilities, as they mature. For purposes of this definition, "not have an unreasonably small amount of capital for the operation of the businesses in which it is engaged or proposed to be engaged" and "able to pay its liabilities, as of such date, including contingent and other liabilities, as they mature" means that such Person will be able to generate enough cash from operations, asset dispositions or refinancings, or a combination thereof, to meet its obligations as they become due..

(qq) **Full Disclosure**. No representation or warranty by any Company Party in any Transaction Document and no statement contained in the Disclosure Certificate to this Agreement or any certificate or other document furnished or to be furnished to any Purchaser or any Purchaser Party or their attorneys or advisors pursuant to any Transaction Document contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

III.2 **Full Disclosure**. No representation or warranty by any Company Party in any Transaction Document and no statement contained in the Disclosure Certificate to this Agreement or any certificate or other document furnished or to be furnished to any Purchaser or any Purchaser Party or their attorneys or advisors pursuant to any Transaction Document contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

III.3 **Representations and Warranties of Each Purchaser**. Each Purchaser, severally and not jointly, for itself and for no other Purchaser, hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein in which case they shall be accurate as of such date):

(a) **Organization; Authority**. Such Purchaser is either an individual or an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by such Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of such Purchaser. Each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally; (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies; and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) **Own Account**. Such Purchaser understands that the Securities are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities in violation of the Securities Act or any applicable state securities law (this representation and warranty not limiting such Purchaser's right to sell the Securities in compliance with applicable federal and state securities laws). Such Purchaser is acquiring the Securities hereunder in the ordinary course of its business.

(c) **Purchaser Status**. At the time such Purchaser was offered or otherwise purchased or acquired the Securities, it was, and as of the date hereof it is, and on each date on which it converts the Notes or exercises the Warrants, it will be an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act.

(d) **Experience of Such Purchaser**. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(e) **General Solicitation**. Such Purchaser is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

(f) **Certain Transactions and Confidentiality**. Other than consummating the transactions contemplated hereunder, such Purchaser has not directly or indirectly, nor has any Person acting on behalf of or pursuant to any understanding with such Purchaser, executed any purchases or sales, including Short Sales, of the securities of the Company during the period commencing as of the time that such Purchaser first received a term sheet (written or oral) from the Company or any other Person representing the Company setting forth the material terms of the transactions contemplated hereunder and ending immediately prior to the execution hereof. Notwithstanding the foregoing, if such Purchaser is a multi-managed investment vehicle (whereby separate portfolio managers manage separate portions of such Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's assets), the representation set forth above in this **clause (f)** shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement. Other than to other Persons party to this Agreement, such Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction).

Each Company Party acknowledges and agrees that the representations and warranties of each Purchaser set forth in **Section 3.1**(pp) shall not modify, amend or affect any Purchaser's right to rely on the representations and warranties of any Company Party contained in this Agreement or in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transaction contemplated hereby.

ARTICLE IV - OTHER AGREEMENTS OF THE PARTIES

IV.1 **Transfer Restrictions.**

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or Rule 144 or any other exemption under the Securities Act, to the Company or to an Affiliate of a Purchaser or in connection with a pledge as contemplated in **Section 4.1(b)**, the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, at the Company's sole expense in the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights and obligations of a Purchaser under this Agreement.

(b) Each Purchaser agrees, severally but not jointly, to the imprinting, for as long as is required by this **Section 4.1**, of a legend on all of the Securities in the following form:

[NEITHER] THIS SECURITY [NOR THE SECURITIES INTO WHICH THIS SECURITY IS [CONVERTIBLE] [EXERCISABLE]] HAS NOT [HAVE] BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY [AND THE SECURITIES ISSUABLE UPON [CONVERSION] [EXERCISE] OF THIS SECURITY]] MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

The Company acknowledges and agrees that each Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of its Securities to a financial institution that is an "accredited investor" as defined in Rule 501(a) under the Securities Act and who agrees to be bound by the provisions of this Agreement and, if required under the terms of such arrangement, such Purchaser may transfer pledged or secured Securities to the pledgees or secured parties. Such a pledge or transfer would not be subject to approval of the Company and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the Company's expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Securities may reasonably request in connection with a pledge or transfer of the Securities.

(c) Certificates evidencing the Conversion Shares or the Warrant Shares shall not contain any legend (including the legend set forth in **Section 4.1(b)**): (i) while a registration statement covering the resale of such security is effective under the Securities Act; (ii) following any sale of such Conversion Shares or Warrant Shares pursuant to Rule 144 without restriction or limitation; (iii) if such Conversion Shares or Warrant Shares are eligible for sale under Rule 144; or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission). The Company shall upon request of any Purchaser cause to be issued a legal opinion (which opinion the Company's counsel, or at the option of the Purchaser, the Purchaser shall be responsible for obtaining, in either event at the Company's sole cost and expense) to the Transfer Agent promptly after any of the events described in (i)-(iv) in the preceding sentence if required by the Transfer Agent to effect the removal of any legend (including that described in **Section 4.1(b)**), with a copy to such Purchaser and its broker. If all or any portion of any Note or Warrant is converted or exercised, respectively, at a time when there is an effective registration statement to cover the resale of the Conversion Shares or Warrant Shares or if such Conversion Shares or Warrant Shares may be sold under Rule 144 or if such legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) then such Conversion Shares shall be issued free of all legends. The Company agrees that following such time as such legend is no longer required under this **Section 4.1(c)**, it will, no later than two (2) Trading Days following the delivery by any Purchaser to the Company or the Transfer Agent of a certificate representing Conversion Shares or Warrant Shares, issued with a restrictive legend (such second (2^{nd}) Trading Day, the "**Legend Removal Date**" of such Securities of such Purchaser), instruct the Transfer Agent to deliver or cause to be delivered to such Purchaser a certificate representing such shares that is free from all restrictive and other legends. The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this **Section 4.1**. Certificates for the Conversion Shares or Warrant Shares subject to legend removal hereunder shall be transmitted by the Transfer Agent to such Purchaser by crediting the account of such Purchaser's prime broker with the Depository Trust Company System as directed by such Purchaser.

(d) In addition to such Purchaser's other available remedies, the Company shall pay to such Purchaser, in cash, as partial liquidated damages and not as a penalty, by reason of any such delay after the Legend Removal Date, (i) with respect to the Conversion Shares, an amount in cash equal to (i) $1,000 per Business Day for the first thirty (30) Business Days of such failure and (ii) $5,000 per Business Day for each Business Day after the first thirty (30) Business Days of such failure, and all accrued but unpaid interest thereon, or (ii) with respect to the Warrant Shares, an amount in cash equal to (i) $1,000 per Business Day for the first thirty (30) Business Days of such failure and (ii) $5,000 per Business Day for each Business Day after the first thirty (30) Business Days of such failure, until in each case, such certificate is delivered without a legend. Nothing herein shall limit such Purchaser's right to pursue actual damages for the Company's failure to deliver certificates representing any Securities as required by the Transaction Documents, and each Purchaser shall have, severally and not jointly, the right to pursue all remedies available to it at law or in equity including a decree of specific performance and/or injunctive relief.

IV.2 **Acknowledgment of Dilution**. The Company acknowledges that the issuance of the Securities may result in dilution of the outstanding shares of Common Stock, which dilution may be substantial under certain market conditions. The Company further acknowledges that its obligations under the Transaction Documents, including its obligation to issue the Conversion Shares or the Warrant Shares pursuant to the Transaction Documents, are unconditional and absolute and not subject to any right of set off, counterclaim, delay or reduction, regardless of the effect of any such dilution or any claim the Company may have against any Purchaser and regardless of the dilutive effect that such issuance may have on the ownership of the other stockholders of the Company.

IV.3 **Furnishing of Information; Public Information.**

(a) The Company covenants to maintain the registration of the Common Stock under Section 12(b) or 12(g) of the Exchange Act and to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act even if the Company is not then subject to the reporting requirements of the Exchange Act.

(b) Commencing the sooner of the (i) actual or earliest required Effectiveness Date as described in the Registration Rights Agreement or (ii) one (1) year after the Closing Date and ending at such time that all of the Securities have been sold or may be sold without the requirement for the Company to be in compliance with Rule 144(c)(1) and otherwise without restriction or limitation pursuant to Rule 144, if the Company shall fail for any reason to satisfy, the requirements of Rule 144(i) and/or the current public information requirement under Rule 144(c) (a "**Public Information Failure**") then, in addition to any Purchaser's other available remedies, the Company shall pay to each Purchaser, in cash, as partial liquidated damages and not as a penalty, by reason of any such delay in or reduction of its ability to sell its Securities, an amount in cash equal to one percent (1%) of the aggregate Subscription Amount of such Purchaser's Securities on the day of a Public Information Failure and on every thirtieth (30^{th}) day (pro-rated for periods totaling less than thirty (30) days) thereafter until the earlier of (a) the date such Public Information Failure is cured and (b) such time that such public information is no longer required for such Purchaser to transfer any Registrable Securities pursuant to Rule 144. The payments to which such Purchaser shall be entitled pursuant to this **Section 4.3(b)** are referred to herein as "**Public Information Failure Payments**." Public Information Failure Payments shall be paid on the earlier of (i) the last day of the calendar month during which such Public Information Failure Payments are incurred and (ii) the third (3^{rd}) Business Day after the event or failure giving rise to the Public Information Failure Payments is cured. In the event the Company fails to make Public Information Failure Payments when required by the preceding sentence, such Public Information Failure Payments shall bear interest at the rate of two percent (2%) per month (accruing and due daily and prorated for partial months) until paid in full. Nothing herein shall limit each Purchaser's right to pursue actual damages for the Public Information Failure, and each Purchaser shall have the right to pursue all remedies available to it at law or in equity including a decree of specific performance and/or injunctive relief and recovery of loss profits.

(c) The Company shall by no later than four Business Days after the Closing Date file its Super 8-K with the Commission. The information contained in the Super 8-K will accurately reflect the material terms of the Merger Transaction Documents, and the Super 8-K shall contain information and financial statements that complies in all respects with, the Instructions to Current Report on Form 8-K and the applicable provisions of Regulation S-K and Regulation S-X.

IV.4 **Integration**. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Securities in a manner that would require the registration under the Securities Act of the sale of the Securities or that would be integrated with the offer or sale of the Securities for purposes of the rules and regulations of any Trading Market such that it would require shareholder approval prior to the closing of such other transaction unless shareholder approval is obtained before the closing of such subsequent transaction.

IV.5 **Conversion and Exercise Procedures**. The form of "Notice of Conversion" (each a "**Notice of Conversion**") included in any Note of any Purchaser or the form of "Notice of Exercise" (each a "**Notice of Exercise**") included in any Warrant of any Purchaser sets forth the totality of the procedures required of such Purchaser in order to convert such Note or exercise such Warrant. Without limiting the preceding sentences, no ink-original Notice of Conversion or Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Conversion form or Notice of Exercise form be required in order to convert any Note or exercise any Warrant. No additional legal opinion, other information or instructions shall be required of any Purchaser to convert any Note or exercise any Warrant. The Company shall honor conversions of any Note or exercises of any Warrant, and shall deliver Conversion Shares or the Warrant Shares, respectively, in accordance with the terms, conditions and time periods set forth in the Transaction Documents.

IV.6 **Shareholder Rights Plan**. No claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that any Purchaser is an "acquiring person" (or similar or equivalent term) under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that any Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Securities under the Transaction Documents or under any other agreement between the Company and any Purchaser.

IV.7 **Material Non-Public Information**. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, each Company Party covenants and agrees that neither it, nor any of its Affiliates, nor any other Person acting on its behalf, will provide any Purchaser, any Purchaser Party or their respective agents or counsel with any information that any Company Party believes constitutes material non-public information, unless prior thereto such information is disclosed to the public, or such Purchaser shall have entered into a written agreement with the Company regarding the confidentiality and use of such information. There has been no public announcement of a pending or proposed Fundamental Transaction or Change of Control Transaction (as each such term is defined in the Notes) that has not been consummated. Except for information with respect to the Merger, no Purchaser has been provided by any Company Party or any Related Party of any Company Party any information, that constitutes, or may constitute, material non-public information with respect to any Company Party. The Company understands and confirms that each Purchaser shall be relying on the foregoing representations, warranties and covenants in effecting transactions in securities of the Company.

IV.8 **Use of Proceeds**. The Company Parties shall use the net proceeds as set forth in inSection 4.8 of the Disclosure Schedule.

IV.9 **Indemnification of Each Purchaser Party**. Each Company Party shall, jointly and severally, indemnify against, and hold harmless from, each Purchaser, their Related Parties, each Person who controls any of them (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and their agents, contractors, trustees, representatives and advisors (each, a "**Purchaser Party**") any and all Losses that any Purchaser Party may suffer or incur as a result of or relating to (a) the administration, performance or enforcement by the Purchasers of any of the Transaction Documents or consummation of any transaction described therein, (b) the existence of, perfection of, a Lien upon or, except with respect to Corefund and its permitted successors or assigns, the sale or collection of, or any other damage, Loss, failure to return or other realization upon any collateral, (c) the failure of any Company Party or any of their Related Parties (whether directly or through their agents, contractors, trustees, representatives and advisors) to observe, perform or discharge any of the covenants or duties under any of the Transaction Documents, (d) any Proceeding, whether or not any Purchaser Party is a party thereto (including Proceedings instituted by any Governmental Authority or any holder of any equity interest in, or other direct or indirect investor in, the Company who is not an Affiliate of such Purchaser Party) with respect to any of the Transaction Documents or the transactions contemplated therein. Additionally, if any Taxes (excluding Taxes imposed upon or measured solely by the net income of the recipient of any payment made under any Transaction Document, but including any intangibles tax, stamp tax, recording tax or franchise tax) shall be imposed on any Company Party or Purchaser Party, whether or not lawfully payable, on account of the execution or delivery of this Agreement, or the execution, delivery, issuance or recording of any of the other Transaction Documents, or the creation or repayment of any of obligations hereunder, by reason of any applicable Regulations now or hereafter in effect, each Company shall, jointly and severally, pay (or shall promptly reimburse such Purchaser Party for the payment of) all such Taxes, including any interest, penalties, expenses and other Losses with respect thereto), and will indemnify and hold the Purchaser Parties harmless from and against all Losses arising therefrom or in connection therewith. **The foregoing indemnities shall not apply to Losses incurred by any Purchaser Party as a result of its own gross negligence or willful misconduct as determined by a final non-appealable order of a court of competent jurisdiction.** Notwithstanding anything to the contrary in any Transaction Document, the obligations of the Company Parties with respect to each indemnity given by them in this Agreement or any of the other Transaction Documents in favor of the Purchaser Parties shall survive the payment in full of the Notes and the termination of this Agreement. The indemnification required by this **Section 4.9** shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred. The indemnification contained herein shall be in addition to any cause of action or similar right of any Purchaser Party against any Company Party or others and any liabilities any Company Party may be subject to pursuant to any Regulation.

IV.10 **Reservation and Listing of Securities.**

(a) Commencing the earlier of the following events to occur: (i) the Company effectuating a reverse stock split or (ii) the Company's duly filing a 14(c) Information Statement with the Commission, which will take effect 20 days after such filing, (assuming the due filing of the 14(c) Information Statement within the fourteen (14) Business Day period after the Closing Date), the Company shall maintain a reserve equal to the Required Minimum of shares from its duly authorized shares of Common Stock for issuance pursuant to the Transaction Documents in such amount as may then be required to fulfill its obligations in full under the Transaction Documents. Upon a reverse stock split or increase in the authorized Common Stock of the Company, the Company will immediately instruct the Transfer Agent to reserve at least the Required Minimum after giving effect to such stock split or increase. This reserve amount shall be updated monthly.

(b) If, on any date, the number of authorized but unissued (and otherwise unreserved) shares of Common Stock is less than 100% of the Required Minimum on such date, then the Board of Directors shall amend the Company's Certificate of Incorporation (or equivalent governing document) to increase the number of authorized but unissued shares of Common Stock to 100% of the Required Minimum at such time, as soon as possible and in any event not later than the forty-fifth (45th) day after such date.

(c) The Company shall, if applicable: (i) in the time and manner required by the principal Trading Market, prepare and file with such Trading Market an additional shares listing application covering a number of shares of Common Stock at least equal to the Required Minimum on the date of such application; (ii) take all steps necessary to cause such shares of Common Stock to be approved for listing or quotation on such Trading Market as soon as possible thereafter; (iii) provide to each Purchaser evidence of such listing or quotation; and (iv) maintain the listing or quotation of such Common Stock on any date at least equal to the Required Minimum on such date on such Trading Market or another Trading Market.

The Company shall promptly pay all fees and expenses owed to the Transfer Agent and shall not replace the Transfer Agent without the written Consent of the Purchasers. (i) If the Company breaches this provision and such breach is not cured within fifteen (15) Business Days after the occurrence of such breach or (ii) if the Company fails to maintain the Required Minimum with any successor Transfer Agent and such breach is not cured within twenty (20) Business Days after receipt of notice of such breach, then the Company, in either case, in addition to any other remedies available to Purchasers, shall pay to each Purchaser an amount in cash equal to one percent (1%) of the aggregate Subscription Amount of such Purchaser's Securities on the day of the applicable breach and on every thirtieth (30^{th}) day (pro-rated for periods totaling less than thirty (30) days) thereafter, until such breach has been cured.

IV.11 **Subsequent Equity Sales.**

(a) For so long as any Note remains outstanding, no Company Party shall effect or enter into an agreement to effect any issuance by any Company Party or any Subsidiary of any Company Party of Common Stock or Common Stock Equivalents (or a combination of units thereof) involving a Variable Rate Transaction. **"Variable Rate Transaction"** means a transaction in which a Person (i) issues or sells any debt or equity securities that are convertible into, exchangeable or exercisable for, or include the right to receive, additional shares of common stock (including Common Stock) either (A) at a conversion price, exercise price or exchange rate or other price that is based upon, and/or varies with, the trading prices of or quotations for the shares of common stock at any time after the initial issuance of such debt or equity securities or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such debt or equity security or upon the occurrence of specified or contingent events directly or indirectly related to the business of such Person or the market for the common stock or (ii) enters into any agreement, including an equity line of credit, whereby such Person may issue securities at a future determined price.

(b) For as long as any Note remains outstanding, no Company Party nor any Related Party of any Company Party will, directly or indirectly (including through agents, contractors, trustees, representatives or advisors): (a) solicit, initiate, encourage or accept any other inquiries, proposals or offers from any Person relating to any exchange (i) of any security of any Company Party for any other security of any Company Party, except to the extent consummated pursuant to the terms of Common Stock Equivalents of the Company as in effect as of the date hereof and disclosed in filings with the Commission within four Business Days after the date hereof (without giving effect to any amendment, modification, change or waiver of any terms thereof occurring on or after the date hereof or not disclosed in a filing by the Company with the Commission prior to the date hereof) or (ii) of any indebtedness or other securities of, or claim against, any Company Party pursuant to a registration statement filed with the Commission or relying on any exemption under the Securities Act (including Section 3(a)(10) of the Securities Act (any such transaction described in clauses (i) or (ii), an "**Exchange Transaction**"); (b) enter into, effect, alter, amend, announce or recommend to its stockholders any Exchange Transaction with any Person; or (c) participate in any discussions, conversations, negotiations or other communications with any Person regarding any Exchange Transaction, or furnish to any Person any information with respect to any Exchange Transaction, or otherwise cooperate in any way, assist or participate in, facilitate or encourage, any effort or attempt by any Person to seek an Exchange Transaction involving any Company Party. For as long as any Note remains outstanding, no Company Party nor any Related Party of any Company Party, will, either directly or indirectly (including through agents, contractors, trustees, representatives or advisors), cooperate in any way, assist or participate in, facilitate or encourage any effort or attempt by any Person to effect any acquisition of securities or indebtedness of, or claim against, the Company by such Person from an existing holder of such securities, indebtedness or claim in connection with a proposed exchange of such securities or indebtedness of, or claim against, the Company (whether pursuant to Section 3(a)(9) or 3(a)(10) of the Securities Act or otherwise) (a "**Third Party Exchange Transfer**"). The Company Parties and each of their Related Parties shall immediately cease and cause to be terminated all existing discussions, conversations, negotiations and other communications with any Persons with respect to any of the foregoing. For all purposes of this Agreement, violations of the restrictions set forth in this **Section 4.11** by any Company Party or Affiliate of any Company Party, or any officer, employee, director, agent or other representative of any Company Party or Affiliates of any Company Party shall be deemed a direct breach of this **Section 4.11** by the Company.

(c) [Reserved].

(d) So long as any Note remains outstanding or any Purchaser holds any Securities, except for transactions in the ordinary course of the Company's business and except for capital raises in an aggregate sum not to exceed $10,000,000, the Company and each of its Subsidiaries shall be prohibited from, directly or indirectly, effecting or entering into (or publicly announcing or recommending to its stockholders the approval or adoption thereof by such stockholders) any agreement, plan, arrangement or transaction, including, without limitation, any Subsequent Financing, that would or would reasonably be expected to materially restrict, delay, conflict with or impair the ability or right of the Company and/or a Subsidiary to timely perform its obligations under this Agreement, the Notes, the Warrants and/or the other Transaction Documents, including, without limitation, the obligation of the Company to timely (i) deliver shares of Common Stock to any Purchaser (or a designee thereof, if applicable) in accordance with this Agreement, any Note, or Warrant and/or (ii) repay in cash all outstanding principal and other amounts outstanding under any Note at maturity or at any other times when payments are required to be made in cash pursuant to the terms of the Notes whether pursuant to a redemption, repayment, and/or otherwise.

(e) Each Purchaser shall, severally or jointly, be entitled to obtain injunctive relief against any Company Party to preclude any such issuance, which remedy shall be in addition to any right to collect damages. Notwithstanding the foregoing, this **Section 4.11** shall not apply in respect of an Exempt Issuance, except that no Variable Rate Transaction shall be an Exempt Issuance.

(f) For so long as any Note remains outstanding, if the Company has, on or prior to the date of this Agreement, entered into, or shall in the future enter into, any agreement with any purchaser or holder of any securities of the Company, by providing such purchaser or holder with any terms that are more favorable than the terms available to the Purchasers and set out in this Agreement or the Notes as of the date hereof, the Company shall notify each Purchaser of such terms in writing on or before the date that is five (5) Business Days after the date such agreement with such purchaser or holder is executed or agreed to by the Company, and each Purchaser shall have the right to elect in writing within thirty (30) days of the receipt of such notice to elect to have such terms apply to this Agreement and/or the Notes, a the case may be. The right of a Purchaser to make the foregoing election shall extend until thirty (30) days after a closing with respect to or actual issuance on such more favorable terms. For the avoidance of doubt, the Company shall not effect any conversion of principal or interest of the Note and Purchasers shall not have the right to convert any principal or interest of the Note, at a Conversion Price (as defined in the Note) which is less than the Floor Price (as defined in the Note), subject to adjustment for any stock split, stock combination, reclassification or similar transaction that proportionately decreases or increases the Common Stock.

IV.12 **Trading Activities of Purchasers**.

(a) **Prohibited Short Sales.** Each Purchaser, severally and not jointly, covenants and agrees that neither it, nor any of its Affiliates acting on its behalf or pursuant to any understanding with it, will execute (i) any Short Sales of the Common Stock or (ii) any hedging transaction that establishes a net short position with respect to the Company's Common Stock, in each case during the period commencing with the execution of this Agreement and ending on the earlier of the earliest "Maturity Date" of such Purchaser's Notes (under and as defined in such Notes) or the full repayment or conversion of all of such Purchaser's Notes; **provided**, that this provision shall not prohibit any sales made where a corresponding Notice of Conversion or Notice of Exercise is tendered to the Company and the shares received upon such conversion or exercise are used to close out such sale; **provided, further,** that this provision shall not operate to restrict any Purchaser's trading under any prior securities purchase agreement containing contractual rights that explicitly protects such trading in respect of the previously issued securities.

(b) **Acknowledgment Regarding Purchasers' Other Trading Activities**. Anything in this Agreement or elsewhere herein to the contrary notwithstanding (except for this **Section 4.12**), it is understood and acknowledged by the Company that (i) no Purchaser has been asked by the Company to agree, nor has any Purchaser agreed, to desist from purchasing or selling Securities of the Company or from entering into Short Sales or Derivatives based on securities issued by the Company or to hold the Securities for any specified term, (ii) past or future open market or other transactions by any Purchaser, specifically including Short Sales or Derivatives, before or after the Closing or the closing of any future private placement transactions, may negatively impact the market price of the Company's publicly-traded securities, (iii) each Purchaser, and counter-parties in Derivatives to which any Purchaser is a party, directly or indirectly, may presently have a "short" position in the shares of Common Stock and (iv) no Purchaser shall be deemed to have any affiliation with or control over any arm's length counter-party in any Derivative. The Company further understands and acknowledges that (y) each Purchaser may engage in hedging activities at various times during the period that the Securities are outstanding, including, during the periods that the value of the Conversion Shares or the Warrant Shares deliverable with respect to Securities are being determined, and (z) such hedging activities (if any) could reduce the value of the existing stockholders' equity interests in the Company at and after the time that the hedging activities are being conducted. The Company acknowledges that such aforementioned hedging activities and Derivatives do not constitute a breach of any of the Transaction Documents.

IV.13 **Right of First Refusal.**

(a) For so long as any of the Notes remain outstanding, upon any issuance by the Company of Common Stock, Common Stock Equivalents or other Indebtedness or other securities, whether for cash consideration or a combination of units thereof (a "**Subsequent Financing**"), each Purchaser with outstanding Notes shall have the right to participate up to its Pro Rata Portion (measured against all Purchasers) of a percentage of such Subsequent Financing equal to, in the aggregate for all Purchasers, one hundred percent (100%) in case of any offering (the "**Participation Maximum**") on the same terms, conditions and price provided for in the Subsequent Financing.

(b) At least three (3) Trading Days (eight (8) hours in case of a Subsequent Financing structured as a public offering or as an "overnight" deal or other similar transaction) prior to the closing of a Subsequent Financing, the Company shall deliver to each Purchaser a written notice of its intention to effect a Subsequent Financing ("**Pre-Notice**"), which Pre-Notice shall ask such Purchaser if it wants to review the details of such financing (each additional notice containing such details, a "**Subsequent Financing Notice**"). Upon the request of any Purchaser for a Subsequent Financing Notice, and only upon such a request, the Company shall promptly, but no later than one (1) Trading Day after such request, deliver a Subsequent Financing Notice to such Purchaser. The Subsequent Financing Notice shall describe in reasonable detail the proposed terms of such Subsequent Financing, the amount of proceeds intended to be raised thereunder and the Persons through or with whom such Subsequent Financing is proposed to be effected, the Pro Rata Portion (as defined below) of the Participation Maximum of such Purchaser, an inquiry as to whether such Purchaser is willing to participate above their Pro Rata Portion (and what is the maximum amount such Purchaser is willing to commit), and shall include a term sheet or similar document relating thereto as an attachment. In addition to such other remedies available to a Purchaser, in the event that the Company fails to provide the Pre Notice required by this **Section 4.13(b)**, then each Purchaser shall be entitled to exercise its rights under Section 4.13 until 30 days after the closing of the particular Subsequent Financing, and Purchaser may deem the failure to give any notice required hereunder an Event of Default under any Note.

(c) If any Purchaser desires to participate in such Subsequent Financing, such Purchaser must provide written notice to the Company within one (1) Trading Day of receipt of the Subsequent Financing Notice (eight (8) hours in the event of a Subsequent Financing structured as a public offering or as an "overnight" deal or other similar transaction) that such Purchaser is willing to participate in the Subsequent Financing, the maximum amount for which such Purchaser would be willing to participate if it is allocated to it (up to the Participation Maximum), and representing and warranting that the Purchaser has such funds ready, willing, and available for investment on the terms set forth in the Subsequent Financing Notice.

(d) At first, each Purchaser shall first have the right to purchase its Pro Rata Portion (measured against all Purchasers) of the Participation Maximum. If some Purchasers have declined to participate in such Subsequent Financing, and some portion of the Participation Maximum remains unallocated, each Purchaser having agreed to participate above its current allocation shall be allocated its Pro Rata Portion (measured against all Purchaser having so agreed) of the next dollar – and so on and so forth until the Participation Maximum shall be fully allocated or all Purchasers shall have been given their desired allocation in full.

(e) The transaction documents related to any Subsequent Financing applicable to any Purchaser participating in such Subsequent Financing shall not include any term or provision whereby such Purchaser shall be required to agree to any restrictions on trading as to any of the Securities purchased hereunder. In addition, the transaction documents related to the Subsequent Financing shall not include any requirement to consent to any amendment to or termination of, or grant any waiver, release or other modification or the like under or in connection with, this Agreement, without the prior written consent of the number of Purchasers required hereunder to consent to this amendment, termination, waiver, consent, release or other modification.

(f) Notwithstanding anything to the contrary in this **Section 4.13** and unless otherwise agreed to by the applicable Purchaser, the Company shall either confirm in writing to each Purchaser that the transaction with respect to the Subsequent Financing has been abandoned or shall publicly disclose its intention to issue the securities in the Subsequent Financing, in either case in such a manner such that each Purchaser will not be in possession of any material, non-public information, by the fifth (5^{h}) Trading Day following delivery of the Subsequent Financing Notice. If by such fifth (5^{th}) Trading Day, no public disclosure regarding a transaction with respect to the Subsequent Financing has been made, and no notice regarding the abandonment of such transaction has been received by the Purchaser, such transaction shall be deemed to have been abandoned and the Purchaser shall not be deemed to be in possession of any material, non-public information with respect to the Company or any of its Subsidiaries in addition to other remedies available to a Purchaser. In addition to such other remedies available to a Purchaser, in the event that the Company fails to provide the notice required by this **Section 4.13(b)**, then each Purchaser shall be entitled to exercise its rights under Section 4.13 until 30 days after the closing of the particular Subsequent Financing and Purchaser may deem the failure to give any notice required hereunder an Event of Default under the Note.

(g) Notwithstanding the foregoing, this **Section 4.13** shall not apply in respect of an Exempt Issuance.

IV.14 **Securities Laws Disclosure; Publicity.**

(a) **Form 8-K Filing.** The Company shall by 9:30 a.m. (New York City time) the within four (4) Business Days immediately following the date hereof, (a) [reserved], and (b) file a Current Report on Form 8-K, including the Merger Transaction Documents as exhibits thereto, disclosing, among other matters, the material terms of the transactions contemplated hereby and thereby, with the Commission. From and after the issuance of such press release, the Company represents to the Purchaser that it shall have publicly disclosed all material, non-public information delivered to any of the Purchaser by the Company or any of its Subsidiaries, or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by the Merger Transaction Documents. In addition, the Company acknowledges and agrees that no confidentiality or similar obligations under any agreement, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, affiliates, employees or agents, on the one hand, and any of the Purchasers or any of their affiliates, on the other hand, have been entered into. Except for the obligations set forth in this Section, there are no confidentiality or similar obligations pertaining the Purchasers currently extant or at any time in the future.

(b) **Other Periodic Filings.** If and as applicable**,** the Company shall timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act and the Company shall meet the current public information requirements of Rule 144(c) under the Securities Act as of the end of the period in question.

(c) **Other Public Disclosures.** The Company and the Purchasers shall consult with each other in issuing any other public disclosure with respect to the transactions contemplated hereby, and none of the Company or any Purchaser shall issue any such public disclosure nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of any Purchaser, or without the prior consent of the Required Purchasers, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is reasonably viewed as required by any Regulation, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Company shall not publicly disclose the name, trademark, service mark, symbol, logo (or any abbreviation, contraction or simulation thereof) of, or otherwise refer to, any Purchaser (including in any filing with the Commission, regulatory agency or Trading Market, including the Form 8-K filing referenced above) without the prior consent of the Purchaser (including in any press release, letterhead, public announcement or marketing material), except, and then only after consulting with such Purchaser, to the extent required to do so under applicable Regulations (including as required in any registration statement filed with the Commission). None of the Company Parties and their Affiliates shall represent that any Company Party or any of its Affiliates, any product or service of the Company Parties or their Affiliates, or any know how or policy or practice of the Company Parties or their Affiliates has been approved or endorsed by any Purchaser Party.

(d) **Credit Report and Other Authorizations.** Each Company Party authorizes the Purchaser Parties, their agents and representatives and any credit reporting agency engaged by any Purchaser Party, to (i) investigate any references given or any other statements or data obtained from or about the Company Parties for the purpose of the Transaction Documents, (ii) obtain consumer business credit reports on the Company Parties, (iii) contact personal and business references provided by any Company Parties, at any time now or for so long as any amounts remains unpaid under the Transaction Documents, and (iv) share information regarding the Company Parties' performance under this Agreement with affiliates and unaffiliated third parties.

(e) **Credit Inquiries.** Each Company Party hereby authorizes the Purchasers (but they shall have no obligation) to respond to usual and customary credit inquiries from third parties concerning any Company Party.

IV.15 **Form D; Blue Sky Filings**. The Company agrees to timely file a Form D with respect to the Securities as required under Regulation D and to provide a copy thereof, promptly upon request of any Purchaser. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Securities for, sale to the Purchasers at the Closing under applicable securities or "Blue Sky" laws of the states of the United States, and shall provide evidence of such actions promptly upon request of any Purchaser.

IV.16 **Shares of Common Stock**.

(a) **DWAC.** By the earlier of the (i) Effectiveness Date with respect to the initial Registration Statement as set forth in the Registration Rights Agreement or (ii) the twelve (12)-month anniversary of the date hereof, the Company shall ensure that its shares of Common Stock are and remain eligible for the "Deposit and Withdrawal at Custodian" (DWAC) service of the Deposit Trust Corporation and not subject to any restriction or limitation imposed by or on behalf of the Deposit Trust Corporation on any of its services or any other restriction or limitation on the use of the services provided by the Deposit Trust Corporation (DTC chill).

(b) **Freely Tradeable.** By the earlier of the (i) Effectiveness Date with respect to the initial Registration Statement as set forth in the Registration Rights Agreement or (ii) the six (6)-month anniversary of the date hereof, the Company shall ensure that the Conversion Shares and Warrant Shares constitute "freely tradeable" shares. For the purposes of this **Section 4.16(b)**, such shares shall be deemed "**freely tradeable**" if such shares are eligible for resale pursuant to (i) Rule 144 (provided the Company is compliant with its current public information requirements) promulgated by the Commission pursuant to the Securities Act or such shares are the subject of a then effective registration statement or (ii) an effective "shelf" or resale registration statement under the Securities Act, in customary form, is effective under the Securities Act, registering the resale of such Conversion Shares or Warrant Shares by such security holder and names such holder as a selling security holder thereunder, and such registration statement is reasonably acceptable such holder.

(c) **Trading Markets.** The shares of Common Stock are trading on the OTC Markets Group Inc. PINK Trading Market (subject to any volume restrictions set forth in the Note) and all of the shares issuable pursuant to the Transaction Documents are listed or quoted for trading on such Trading Market (and the Company believes, in good faith, that trading of the shares of Common Stock on such Trading Market will continue uninterrupted for the foreseeable future). The Company shall use its best efforts to ensure that such shares continue, without limitation, to be listed or quoted for trading on such Trading Market.

IV.17 **Equal Treatment of Purchasers**. No consideration (including any modification of any Transaction Document) shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration is also offered to all of the parties to this Agreement. Further, the Company shall not make any payment of principal or interest on the Notes in amounts which are disproportionate to the respective principal amounts outstanding on the Notes at any applicable time. For clarification purposes, this provision constitutes a separate right granted to each Purchaser by the Company and negotiated separately by each Purchaser, and is intended for the Company to treat the Purchasers as a class and shall not in any way be construed as the Purchasers acting in concert or as a group with respect to the purchase, disposition or voting of Securities or otherwise.

IV.18 **Further Covenant of the Company.** The Company shall and shall cause each party to the Merger Agreement to duly fulfill its respective covenants and otherwise perform its respective obligations under the Merger Agreement in a timely manner, and the Company shall cause each of its Subsidiaries, including, without limitation, Unique Logistics, to duly fulfill its respective covenants and otherwise perform its respective obligations under this Agreement and the other Transaction Documents in a timely manner .

ARTICLE V - MISCELLANEOUS

V.1 **Termination and Survival**. This Agreement may be terminated by each Purchaser, as to the Purchaser's obligations hereunder only and without any effect whatsoever on the obligations between the Company and the other Purchasers, by written notice to the Company and the other Purchasers, if the Closing has not occurred on or before October 9, 2020. Termination of this Agreement will not affect the right of any party to sue for any breach by any other party (or parties) prior to such termination. The representations and warranties, covenants and other provisions hereof shall survive the Closing and the delivery of the Securities. Notwithstanding any termination of any Transaction Document, the reimbursement and indemnities to which the Purchaser Parties are entitled under the provisions of any Transaction Document shall continue in full force and effect and shall protect the Purchaser Parties against events arising after such termination as well as before.

V.2 **Fees and Expenses**. Whether or not the transactions contemplated hereby shall be consummated or any Securities shall be purchased, the Company agrees to pay promptly to each Purchaser Party, or reimburse each Purchaser Party for, the following:

(a) all the actual and reasonable costs, fees and expenses of negotiation, preparation, execution and closing of the Transaction Documents and the purchase and sale of the Securities in connection therewith and the consummation of the other transactions contemplated hereby to be consummated on or about the Closing Date, including the reasonable fees, out of pocket expenses and disbursements of Sullivan & Worcester LLP, counsel to Trillium Partners LP in connection therewith in an amount up to $50,000;

(b) all the costs, fees and expenses of preparation, printing and distribution of any registration statement for the Securities or of the Transfer Agent (including any fees required for same-day processing of any instruction letter delivered by the Company and any conversion notice or exercise notice delivered by any Purchaser Party) and all other costs and expenses (including stamp taxes and other taxes and duties levied) incurred in connection with the delivery to or conversion by, any Purchaser of any Securities or the Conversion Shares or exercise by, any Purchaser of any Securities or the Warrant Shares;

(c) all the actual and reasonable costs, fees and expenses of creating and perfecting Liens in favor of such Purchaser Party, pursuant to any Transaction Document, including costs associated with the Security Agreement, UCC fees, other filing and recording fees, expenses and taxes, stamp or documentary taxes, search fees, title insurance premiums and reasonable fees, expenses and disbursements of counsel to such Purchaser Party;

(d) all the actual and reasonable costs, fees and expenses of administration of the Transaction Documents and preparation, execution and closing of any consents, amendments, waivers or other modifications thereto, including the reasonable fees, expenses and disbursements of counsel to such Purchaser Party in connection therewith and in connection with any other documents or matters requested by such Company Party (including through agents, contractors, trustees, representatives and advisors) or otherwise prepared or delivered in connection with any Transaction Document;

(e) all the actual and reasonable costs, fees, expenses and disbursements of any auditors, accountants, consultants or appraisers used in connection with the Transaction Documents;

(f) all the actual and reasonable costs, fees and expenses (including the reasonable fees, expenses and disbursements of any appraisers, consultants, advisors and agents employed or retained by such Purchaser Party and its counsel) in connection with the inspection, verification, custody or preservation of any collateral, to the extent required or permitted under any Transaction Document; and

(g) all costs, fees and expenses, including reasonable attorneys' fees (including allocated costs of internal counsel) and costs of settlement, incurred by any Purchaser in enforcing any obligation owed hereunder of or in collecting any payments due from any Company Party hereunder or under the other Transaction Documents (including in connection with the sale of, collection from, or other realization upon any collateral or the enforcement of any guaranty) or in connection with any negotiations, reviews, refinancing or restructuring of the credit arrangements provided hereunder, including in the nature of a "work out" or pursuant to any insolvency or bankruptcy cases or proceedings.

The foregoing shall be in addition to, and shall not be construed to limit, any other provisions of the Transaction Documents regarding indemnification and costs and expenses to be paid by the Company Parties.

V.3 **Modifications and Signatures**. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right. Any modification effected in accordance with accordance with this **Section 5.3** shall be binding upon each Purchaser and holder of Securities and the Company.

(a) **Entire Agreement.** This Agreement and the other Transaction Documents contain and constitute the entire agreement of the parties with respect to the subject matter hereof and supersede all prior negotiations, agreements, and understandings, whether written or oral, of the parties hereto, which the parties acknowledge have been merged into such documents.

(b) **Amendments**. No amendment, modification or termination of any provision of this Agreement or any other Transaction Document shall be effective without the written consent of the Company and the Required Purchasers (or such other number of Purchasers as expressly stated in other provisions of the Transaction Documents); **provided**, that (i) if any amendment, modification or waiver disproportionately and adversely impacts a Purchaser (or group of Purchasers), the consent of holders of a majority of the principal amount of the Notes held by such disproportionately impacted Purchaser (or group of Purchasers) shall also be required and (ii) this clause (b) may only be modified with the consent of all Purchasers. No waiver or consent shall be effective against any party unless given in writing and then any such waiver shall then be effective only in the specific instance and for the specific purpose for which it was given. Where the consent or waiver of the Purchasers generally (and not each Purchaser) is required, it may be given by the Required Purchasers.

(c) **Successors and Assigns.** This Agreement shall bind and inure solely to the benefit of the Company Parties, the Purchaser Parties, and their respective successors and, if permitted, assigns; **provided**, that the Company Parties may not assign this Agreement or any other Transaction Document or any rights or obligations hereunder or thereunder without the Required Purchasers' prior written consent and any prohibited assignment shall be absolutely void. Unless otherwise expressly provided in any Transaction Document, each Purchaser may sell, assign, transfer, negotiate or grant participations in all or any part of, or any interest in, or any right or remedy under, the Securities and the Transaction Documents without the consent of the Company Parties; **provided**, that any transferee of the Securities shall agree in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchaser" (and any attempt to effect such transfer without securing such agreement shall be null and void).

(d) **No Waiver by Course of Dealing**. No notice to or demand on any Company Party, whether or not in any Proceeding, pursuant to any Transaction Document shall entitle any Company Party to any other or further notice (except as specifically required hereunder or under any other Transaction Document) or demand in similar or other circumstances. The failure by any Purchaser Party at any time or times to require strict performance by any Company Party of any provision of this Agreement or any of the other Transaction Documents or the granting of any waiver or indulgence shall not waive, affect or otherwise diminish any right of any Purchaser Party thereafter to demand strict compliance and performance with such provision, shall not affect or be a waiver under any other provision of any Transaction Document except as specifically mentioned and shall not constitute a course of dealing by such Purchaser Party at variance with the terms of this Agreement or any other Transaction Document (and therefore, among other things, shall not require further notice by such Purchaser Party of its intent to require strict adherence to the terms of such Transaction Document in the future). Any such actions shall not in any way affect the ability of each Purchaser Party, in its discretion, to exercise any rights available to it under this Agreement, the other Transaction Documents or under applicable Regulations.

(e) **Execution in Counterparts**. This Agreement may be executed in counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and both of which, when taken together, shall constitute but one and the same Agreement. In proving this Agreement in any judicial proceedings, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom such enforcement is sought.

(f) **Electronic Signatures**. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement or any other Transaction Document are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures. The Borrower expressly agrees that this Agreement and all other Transaction Documents are "transferable records" as defined in applicable Regulations relating to electronic transaction and that it may be created, authenticated, stored, transmitted and transferred in a manner consistent with and permitted by such applicable Regulations.

V.4 **Notices.**

(a) All notices, requests, demands, and other communications to either party hereto or given under any Transaction Document shall be in writing (including electronic mail transmission or similar writing) and shall be given to such party at the physical address or send to the electronic mailing address set forth in the signature pages hereof or at such other physical address or electronic mailing address as such party may hereafter specify for the purpose of notice to the Purchasers and the Company in accordance with the provisions of this **Section 5.4**.

(b) Each such notice, request or other communication shall be effective (i) if given by mail, three (3) Trading Days after such communication is deposited in the U.S. Mail with first class postage pre-paid, addressed to the noticed party at the address specified herein, (ii) if by nationally recognized overnight courier, when delivered with receipt acknowledged in writing by the noticed party, (iii) if given by personal delivery, when duly delivered with receipt acknowledged in writing by the noticed party or (iv) if given by electronic mail, when delivered (receipt by the sender of a receipt using the "return receipt" function or receipt of a reply email being presumptive evidence of receipt thereof); **provided**, that if such electronic mail is not sent prior to the last trading hour of the principal Trading Market of the Securities on a Trading Day, such electronic mail shall be deemed to have been sent at the opening of trading on the next Trading Day for such principal Trading Market. Any written notice, request or demand that is not sent in conformity with the provisions hereof shall nevertheless be effective on the date that such notice, request or demand is actually received by the individual to whose attention at the noticed party such notice, request or demand is required to be sent.

V.5 **Set-Off**. In addition to any rights now or hereafter granted under applicable Regulations and not by way of limitation of any such rights, each Purchaser Party upon prior notice to each other Purchaser Party is hereby authorized by the Company Parties at any time or from time to time, without notice or demand to any Company Party or to any other Person, any such notice or demand being hereby expressly waived, to set off and to appropriate and to apply any and all deposits (general or special, time or demand, provisional or final, including indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts) and any other indebtedness or other amounts at any time held or owing by such Company Party to or for the credit or the account of any Company Party or any of their Related Parties against and on account of any amounts due by any Company Party or any of their Related Parties to any Purchaser Party under any Transaction Documents (including from the Purchase Price to be disbursed hereunder), irrespective of whether or not (a) such Purchaser Party shall have made any demand hereunder or (b) the principal of or the interest on the Notes or any other Obligation shall have become due and payable and although such obligations and liabilities, or any of them, may be contingent or unmatured. If, as a result of such set off, appropriate or application, such Purchaser Party receives more than it is owed under any Transaction Document, it shall hold such amounts in trust for the other Purchaser Parties and transfer such amounts to the other Purchaser Parties ratably according to the amounts they are owed on the date of receipt.

V.6 **Governing Law.**

(a) **Except as otherwise expressly provided in any other Transaction Document, this Agreement, the other Transaction Documents and all claims, Proceedings and matters arising hereunder or thereunder or related hereto or thereto are governed by, and construed and enforced in accordance with, the laws of the State of New York.**

(b) Any Proceeding with respect to any Transaction Document may be brought exclusively in the New York State courts sitting in New York County or the federal courts of the United States of America for the Southern District of New York and sitting in New York County. Each Company Party (i) accepts for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of such courts, (ii) irrevocably waives any objection, including any objection to the laying of venue, based on the grounds of forum *non conveniens* or that such jurisdiction is improper or otherwise that such party is not subject to the jurisdiction of such courts, that it may now or hereafter have to the bringing of any Proceeding in those jurisdictions, (iii) irrevocably consents to the service of process of any court referred to above in any Proceeding by the mailing of copies of the process to the parties hereto as provided in **Section 5.4** and (iv) agrees that a final judgment in any such Proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Service effected as provided in this manner will become effective ten (10) calendar days after the mailing of the process. Notwithstanding the foregoing, nothing contained in any Transaction Document shall affect the right of any Purchaser Party to serve process in any other manner permitted by applicable Regulations or commence Proceedings or otherwise proceed against any Company Party in any other jurisdiction.

V.7 **Severability**. Any provision of any Transaction Document being held illegal, invalid or unenforceable in any jurisdiction shall not affect any part of such provision not held illegal, invalid or unenforceable, any other provision of any Transaction Document or any part of such provision in any other jurisdiction, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. In addition, upon any determination that any such term or other provision is invalid, illegal or incapable of being enforced, the parties hereto will negotiate in good faith to modify the relevant Transaction Document so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

V.8 **Rescission and Withdrawal Right**. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever any Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights; **provided**, that in the case of a rescission of a conversion of any Note, such Purchaser shall be required to return any shares of Common Stock subject to any such rescinded conversion notice.

V.9 **Replacement of Securities**. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement Securities.

V.10 **Remedies.**

(a) In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each Purchaser (severally and not jointly) and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

(b) If any Company Party shall fail to discharge any covenant, duty or obligation hereunder or under any of the other Transaction Documents, each Purchaser may, in its discretion at any time, for the account and at the expense of the Company Parties jointly and severally, pay any amount or do any act required of such Company Party hereunder or under any of the other Transaction Documents or otherwise lawfully requested by any Purchaser (including buying-in Securities in the principal Trading Market of the Securities in case of failure by the Company to deliver Convertible Securities). All costs and expenses incurred by any Purchaser in connection with the taking of any such action shall be reimbursed to such Purchaser by the Company Party on demand with interest at the highest interest rate applicable to amounts due under the Notes of such Purchaser from the date such payment is made or such costs or expenses are incurred to the date of payment thereof. Any payment made or other action taken by any Purchaser under this **clause (b)** shall be without prejudice to any right to assert, and without waiver of, any breach of any Transaction Document and without prejudice to any Purchaser Party's right to proceed thereafter as provided herein or in any of the other Transaction Documents.

(c) The remedies provided in this Agreement and all other Transaction Documents shall be cumulative and in addition to all other remedies available under any Transaction Document, whether at law or in equity (including a decree of specific performance and/or other injunctive relief).

(d) Nothing in any Transaction Document shall limit the Purchaser Party's rights to pursue actual and consequential damages for any failure by any Company Party to comply with the terms of this Agreement or any other Transaction Document.

(e) An Event of Default will cause irreparable harm to the Purchasers and that the remedy at law for any such breach may be inadequate. Therefore, in the event of any such Event of Default, the Purchasers shall be entitled, in addition to all other available remedies, to an injunction restraining any such breach or any such threatened breach, without the necessity of showing economic loss and without any bond or other security being required.

V.11 **Marshaling; Payment Set Aside**. No Purchaser Party shall be under any obligation to marshal any property in favor of any Company Party or any other party or against or in payment of any amount due under any Transaction Document. To the extent that any Company Party makes a payment or payments to any Purchaser pursuant to any Transaction Document or any Purchaser Party enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to any Company Party, a trustee, receiver or any other Person under any law (including any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor, shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

V.12 **Usury**. To the extent it may lawfully do so, each Company Party hereby agrees not to insist upon or plead or in any manner whatsoever claim, and will resist any and all efforts to be compelled to take the benefit or advantage of, usury laws wherever enacted, now or at any time hereafter in force, in connection with any claim, action or proceeding that may be brought by any Purchaser in order to enforce any right or remedy under any Transaction Document. Notwithstanding any provision to the contrary contained in any Transaction Document, it is expressly agreed and provided that the total liability of each Company Party under the Transaction Documents for payments in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the "**Maximum Rate**") and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums in the nature of interest that any Company Party may be obligated to pay under the Transaction Documents exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by law and applicable to the Transaction Documents is increased or decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate applicable to the Transaction Documents from the effective date thereof forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by any Company Party to any Purchaser Party with respect to indebtedness evidenced by the Transaction Documents, such excess shall be applied by such Purchaser Party to the unpaid principal balance of any such indebtedness or be refunded to the Company, the manner of handling such excess to be at such Purchaser's election.

V.13 **Liquidated Damages**. The Company's obligations to pay any partial liquidated damages or other amounts owing under the Transaction Documents is a continuing obligation of the Company and shall not terminate until all unpaid partial liquidated damages and other amounts have been paid notwithstanding the fact that the instrument or security pursuant to which such partial liquidated damages or other amounts are due and payable shall have been canceled.

V.14 **Further Assurances**. The Company Parties agree to take such further actions as each Purchaser shall reasonably request from time to time in connection herewith to evidence, give effect to or carry out this Agreement and the other Transaction Documents and any of the transactions contemplated hereby or thereby.

V.15 **Interpretation**. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of any Transaction Document. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement. Except as otherwise expressly provided in any Transaction Document, if the last or appointed day for the taking of any action or the expiration of any right required or granted under any Transaction Document shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day. As used in any Transaction Document, references to the singular will include the plural and vice versa and references to the masculine gender will include the feminine and neuter genders and vice versa, as appropriate. When used in any Transaction Document, unless otherwise expressly provided in such Transaction Document, (a) the words "**hereof**," "**herein**" and "**hereunder**" and words of similar import refer to such Transaction Document as a whole and not to any particular provision of such Transaction Document, (b) recital, article, section, subsection, schedule and exhibit references are references with respect to such Transaction Document unless otherwise specified, (c) any reference to any agreement shall include a reference to all recitals, appendices, exhibits and schedules to such agreement and, unless the prior written consent of any party is required hereunder and is not obtained, shall be a reference to such agreement as waived, amended, restated, supplemented or otherwise modified and (d) any reference to a specific Regulation shall be to such Regulation, as modified from time to time, together with any successor or replacement Regulation, in each case as in effect at the time of determination. Unless the context otherwise requires, when used in any Transaction Document, the following terms have the following meaning: (u) "**execution**," "**signed**," "**signature**" and words of like import shall be deemed to include electronic signatures and the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Regulation, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other similar state Regulation based on the Uniform Electronic Transactions Act, (v) "**incur**" means incur, create, make, issue, assume or otherwise become or remain directly or indirectly liable in respect of or responsible for, in each case whether directly or indirectly, as primary obligor or guarantor or endorser, and the terms "**incurrence**" and "**incurred**" and similar derivatives shall have correlative meanings, (w) "**knowledge**" of the any Company Party means the best knowledge of any officer, director or employee of such Company Party after due inquiry, (x) "**including**" means "including, without limitation," (y) "**asset**" and "**property**" have the same meaning and mean, "collectively, all rights and interests in tangible and intangible assets and properties, whether real, personal or mixed and including cash, capital stock, revenues, accounts, leasehold interests, contract rights and other rights under Permits and Contractual Obligations" and (z) "**documents**" and "**documentation**" have the same meaning and mean "collectively, all documents, drafts, instruments, agreements, indentures, certificates, forms, opinions, powers of attorney, notices, summons, reports, financial statements and other writings, however evidenced, whether in physical or electronic form." The headings in this Agreement are included for convenience of reference only and will not affect in any way the meaning or interpretation of this Agreement. All references in this Agreement or any other Transaction Document to statutes and regulations shall include all amendments of same and implementing regulations and any successor statutes and regulations; to any instrument or agreement (including any of the Transaction Documents) shall include any and all modifications and supplements thereto and any and all restatements, extensions or renewals thereof to the extent such modifications, supplements, restatements, extensions or renewals of any such documents are permitted by the terms hereof and thereof. A Default or an Event of Default (as defined in the Notes) shall be deemed to exist at all times during the period commencing on the date that such Default or Event of Default occurs to the date on which such Default or Event of Default is waived in writing pursuant to the relevant Note or, with respect to any Default, is cured within any period of cure expressly provided in the relevant Note. Whenever in any provision of any Transaction Document, any Purchaser is authorized to take or decline to take any action (including making any determination) in the exercise of its "**discretion**," such provision shall be understood to mean that such Purchaser may take or refrain to take such action in its sole discretion. References to times of the day in any Transaction Document shall refer to Eastern Time. In the computation of periods of time from a specified date to a later specified date, the word "**from**" means "from and including," the words "**to**" and "**until**" each mean "to but excluding" and the word "**through**" means "to and including." Time is of the essence of this Agreement and the other Transaction Documents. No provision of this Agreement or any of the other Transaction Documents shall be construed against or interpreted to the disadvantage of any party hereto by any Governmental Authority by reason of such party having or being deemed to have structured, drafted or dictated such provision. "**month**" (but not "calendar month") means each period from a date of determination to the day (including the Closing Date itself) in the next calendar month numerically-corresponding to such date (**provided,** that, if such calendar month does not have any such numerically-corresponding day, such numerically-corresponding day shall be deemed to be the last day of such calendar month).

V.16 **Waiver of Jury Trial and Certain Other Rights.**

(a) **The parties hereto hereby irrevocably and unconditionally waive, to the fullest extent permitted by applicable Regulations, any right that they may have to trial by jury of any claim or cause of action or in any Proceeding, directly or indirectly based upon or arising out of this Agreement or any Transaction Document (whether based on contract, tort or any other theory). Each party (a) certifies that no representative, agent, or attorney of any other party has represented, expressly or otherwise, that such other parties would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties have been induced to enter into this Agreement and the other Transaction Documents by, among other things, the mutual waivers and certifications in this section.**

(b) Each Company Party acknowledges and agrees that the foregoing waivers are a material inducement to the Purchasers to enter into and accept this Agreement. Each Company Party has reviewed the foregoing waivers with its legal counsel and has knowingly and voluntarily waived its jury trial rights following consultation with such legal counsel. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court. This **Section 5.16** shall not restrict a party from exercising remedies under the UCC or from exercising pre-judgment remedies under applicable Regulations.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

INNOCAP, INC., for itself and its Subsidiaries

Address for Notice:
112 N. Walnut Street, PO Box 489, Jefferson, TX 75657

By: _____
Name:
Title:

Fax: _____
Email: _____

[Signature Pages for Purchasers Follow]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: _____

Signature of Authorized Signatory of Purchaser: By:_____
Name:
Title:

Address for Notices to Purchaser:

Email: _____
EIN Number: _____

SECURITIES PURCHASE AGREEMENT FOR _____

SCHEDULE I
PURCHASERS

1. Name of Purchaser	2. Initial Principal Amount of Notes	3. Subscription Amount	Number of Warrant Shares
_____	$_____	$_____	

EXHIBIT A
FORM OF NOTE

EXHIBIT B
FORM OF WARRANT

EXHIBIT C
FORM OF REGISTRATION RIGHTS AGREEMENT

EXHIBIT D
FORM OF TRANSFER AGENT INSTRUCTION LETTER

EXHIBIT E
FORM OF SECURITY AGREEMENT

EXHIBIT F
FORM OF GUARANTY

EXECUTION COPY

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into as of October 8, 2020 amongInnocap, Inc., a Nevada corporation (the "Company"), and each of the several purchasers signatory hereto (each such purchaser, a "Purchaser" and, collectively, the "Purchasers").

WHEREAS, in connection with those certain Securities Purchase Agreementsdated at or about the date hereof by and between the Company and the Purchasers (the "Purchase Agreement"), the Purchasers have agreed to purchase from the Company, severally and not jointly, an aggregate of up to (a) $2,222,000 of certain Notes ("Notes"), and (b) certain Warrants to purchase 1,140,956,904 shares of Common Stock, par value $0.001 per share, at an initial exercise price of $0.001946 per share, and exercisable for a period of five years following the Closing of the purchase and sale of such securities under the Purchase Agreement (the "Warrants," and collectively with the Notes, the "Securities"); and

WHEREAS, to induce the Purchasers to purchase the Securities, the Company has agreed to grant the Purchasers certain rights with respect to registration of Registrable Securities (as defined below) under the Securities Act pursuant to the terms of this Agreement.

NOW, THEREFORE, the Company and each Purchaser hereby agree as follows:

1. Definitions.

Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

"Advice" shall have the meaning set forth in Section 6(d).

"Cutback Shares" means any of the Initial Registrable Securities or the Registrable Securities to be included in the additional Registration Statement of Registrable Securities not included in all Registration Statements previously declared effective as contemplated hereunder as a result of a limitation on the maximum number of shares of Common Stock of the Company permitted to be registered by the staff of the SEC pursuant to Rule 415. The order for determining any applicable amount of Initial Registrable Securities or Registrable Securities subject to cutback is set forth in Section 2(c).

"Cut-Off Date" shall have the meaning set forth in Section 2(a).

"Effectiveness Date" means, with respect to the Initial Registration Statement required to be filed hereunder and subject to any tolling of such date pursuant to Section 3(a), the 120th calendar day following the Filing Date and with respect to any additional Registration Statements which may be required pursuant to Section 2(c) or Section 3(c), the 90th calendar day following the date on which an additional Registration Statement is required to be filed hereunder; provided, however, that in the event the Company is notified by the Commission that one or more of the above Registration Statements will not be reviewed or is no longer subject to further review and comments, the Effectiveness Date as to such Registration Statement shall be the 10th calendar day following the date on which the Company is so notified if such date precedes the dates otherwise required above (unless the Company is required to update its financial statements prior to requesting acceleration of such Registration Statement, which will require the Company to file an amendment to such Registration Statement, in which case the Company shall file any necessary amendment to such Registration Statement and request effectiveness thereof as soon as reasonably practicable and in no event later than the 90th calendar day following the Filing Date); provided, further, if such Effectiveness Date falls on a day that is not a Trading Day, then the Effectiveness Date shall be the next succeeding Trading Day.

"Effectiveness Period" shall have the meaning set forth in Section 2(a).

"Event" shall have the meaning set forth in Section 2(d).

"Event Date" shall have the meaning set forth in Section 2(d).

"Filing Date" means, with respect to the Initial Registration Statement required hereunder, the 60th calendar day following the initial Closing Date and, with respect to any additional Registration Statements which may be required pursuant to Section 2(c) or Section 3(c), the earliest practical date on which the Company is permitted by SEC Guidance to file such additional Registration Statement related to the Registrable Securities.

"Holder" or "Holders" means the holder or holders, as the case may be, from time to time of Registrable Securities.

"Indemnified Party" shall have the meaning set forth in Section 5(c).

"Indemnifying Party" shall have the meaning set forth in Section 5(c).

"Initial Registrable Securities" means the Registrable Securities registered on the Initial Registration Statement.

"Initial Registration Statement" means the initial Registration Statement filed pursuant to this Agreement.

"Losses" shall have the meaning set forth in Section 5(a).

"Plan of Distribution" shall have the meaning set forth in Section 2(a).

"Prospectus" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated by the Commission pursuant to the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"Registrable Securities" means, as of any date of determination, (a) all of the Conversion Shares then issued and issuable upon conversion in full of the Notes (assuming on such date the Notes are converted in full without regard to any conversion limitations therein), (b) all shares of Common Stock issued and issuable as interest or principal on the Notes assuming all permissible interest and principal payments are made in shares of Common Stock and the Notes are held until maturity, (c) any additional shares of Common Stock issued and issuable in connection with any anti-dilution provisions in the Notes (without giving effect to any limitations on conversion set forth in the Notes), (d) all of the Warrant Shares then issued and issuable upon exercise in full of the Warrants (assuming on such date the Warrants are exercised in full without regard to any exercise limitations therein), (e) any additional shares of Common Stock issued and issuable in connection with any anti-dilution provisions in the Warrants (without giving effect to any limitations on exercise set forth in the Warrants), and (f) any securities issued or then issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing; provided, however, that any such Registrable Securities shall cease to be Registrable Securities (and the Company shall not be required to maintain the effectiveness of any, or file another, Registration Statement hereunder with respect thereto) for so long as (a) a Registration Statement with respect to the sale of such Registrable Securities is declared effective by the Commission under the Securities Act and such Registrable Securities have been disposed of by the Holder in accordance with such effective Registration Statement, (b) such Registrable Securities have been previously sold in accordance with Rule 144, or (c) such Registrable Securities become eligible for resale without volume or manner-of-sale restrictions and without the requirement for the Company to be in compliance with the current public information requirement under Rule 144, as determined by counsel to the Company pursuant to a written opinion letter to such effect, addressed, delivered and acceptable to the Transfer Agent and the affected Holders (assuming that such securities, any securities upon the exercise, conversion or exchange of or as a dividend upon which such securities were issued, or any securities issuable upon the exercise, conversion or exchange of, or as a dividend upon such securities, were at no time held by any Affiliate of the Company within the previous 90 days of such resale), as reasonably determined by the Company, upon the advice of counsel to the Company. For the avoidance of doubt, any such Registrable Securities shall cease to be Registrable Securities after the Cut-Off Date.

"Registration Statement" means any registration statement required to be filed hereunder pursuant to Section 2(a) and any additional registration statements contemplated by Section 2(c) or Section 3(c), including (in each case) the Prospectus, amendments and supplements to any such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in any such registration statement.

"Rule 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Selling Stockholder Questionnaire" shall have the meaning set forth in Section 3(a).

"SEC Guidance" means (i) any publicly-available written or oral guidance of the Commission staff, or any comments, requirements or requests of the Commission staff and (ii) the Securities Act.

2. Shelf Registration.

(a) On or prior to each Filing Date, the Company shall prepare and file with the Commission a Registration Statement covering the resale of all of the Registrable Securities that are not then registered on an effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415. Each Registration Statement filed hereunder shall be on Form S-3 (except if the Company is not then eligible to register for resale the Registrable Securities on Form S-3, in which case such registration shall be on another appropriate form in accordance herewith, subject to the provisions of Section 2(e)) and shall contain (unless otherwise directed by at least 51% in interest of the Holders) substantially the "Plan of Distribution" attached hereto as Annex A. Subject to the terms of this Agreement, the Company shall use its reasonable best efforts to cause a Registration Statement filed under this Agreement (including, without limitation, under Section 3(c)) to be declared effective under the Securities Act as promptly as possible after the filing thereof, but in any event no later than the applicable Effectiveness Date, and shall use its reasonable best efforts to keep such Registration Statement continuously effective under the Securities Act until the first to occur of: (A) the date that is one (1) year from the date the Registration Statement is declared effective by the Commission (the "Cut-Off Date") and (B) the date that all Registrable Securities covered by such Registration Statement (i) have been sold, thereunder or pursuant to Rule 144, or (ii) may be sold without volume or manner-of-sale restrictions pursuant to Rule 144 and without the requirement for the Company to be in compliance with the current public information requirement under Rule 144, as determined by the counsel to the Company pursuant to a written opinion letter which shall be obtained at the company's expense, to such effect, addressed, delivered and acceptable to the Transfer Agent and the affected Holders (assuming that such securities, any securities upon the exercise, conversion or exchange of or as a dividend upon which such securities were issued, or any securities issuable upon the exercise, conversion or exchange of, or as a dividend upon such securities, were at no time held by any Affiliate of the Company) (the "Effectiveness Period"). The Company shall telephonically request effectiveness of a Registration Statement as of 5:00 p.m. Eastern Time on a Trading Day. The Company shall immediately notify the Holders via facsimile or by e-mail of the effectiveness of a Registration Statement on the same Trading Day that the Company telephonically confirms effectiveness with the Commission, which shall be the date requested for effectiveness of such Registration Statement. The Company shall, by 9:30 a.m. Eastern Time on the Trading Day after the effective date of such Registration Statement, file a final Prospectus with the Commission as required by Rule 424. Failure to so notify the Holder within one (1) Trading Day of such notification of effectiveness or failure to file a final Prospectus as foresaid shall be deemed an Event under Section 2(d).

(b) Notwithstanding the registration obligations set forth in Section 2(a), if the Commission informs the Company that all of the Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement, the Company agrees to promptly inform each of the Holders thereof and use its commercially reasonable efforts to file amendments to the Initial Registration Statement as required by the Commission, covering the maximum number of Registrable Securities permitted to be registered by the Commission, on Form S-3 or such other form available to register for resale the Registrable Securities as a secondary offering, subject to the provisions of Section 2(e); provided, however, that prior to filing such amendment, the Company shall be obligated to use diligent efforts to advocate with the Commission for the registration of all of the Registrable Securities in accordance with the SEC Guidance, including without limitation, Compliance and Disclosure Interpretation 612.09.

(c) Notwithstanding any other provision of this Agreement and subject to the payment of liquidated damages pursuant to Section 2(d), if the Commission or any SEC Guidance sets forth a limitation on the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering (and notwithstanding that the Company used diligent efforts to advocate with the Commission for the registration of all or a greater portion of Registrable Securities), unless otherwise directed in writing by a Holder as to its Registrable Securities, the number of Registrable Securities to be registered on such Registration Statement will be reduced as follows:

(i) first, the Company shall reduce or eliminate any securities to be included by any Person other than a Holder;

(ii) second, the Company shall reduce Registrable Securities represented by Warrant Shares (applied, in the case that some Warrant Shares may be registered, to the Holders on a pro rata basis based on the total number of unregistered Warrant Shares held by such Holders, collectively); and

(iii) third, the Company shall reduce Registrable Securities represented by Conversion Shares (applied, in the case that some Conversion Shares may be registered, to the Holders on a pro rata basis based on the total number of unregistered Conversion Shares held by such Holders, collectively).

In the event of a cutback hereunder, the Company shall give the Holder at least five (5) Trading Days prior written notice along with the calculations as to such Holder's allotment. In the event the Company amends the Initial Registration Statement in accordance with the foregoing, the Company will use its reasonable best efforts to file with the Commission, as promptly as allowed by the Commission or SEC Guidance provided to the Company or to registrants of securities in general, one or more registration statements on Form S-3 or such other form available to register for resale those Registrable Securities that were not registered for resale on the Initial Registration Statement, as amended.

(a) If: (i) the Initial Registration Statement is not filed on or prior to its Filing Date (if the Company files the Initial Registration Statement without notifying the Holders of such filing within (1) Trading Day following the date on which the Registration Statement is filed with the Commission or without affording the Holders the opportunity to review and comment on the same as required by Section 3(a) herein, the Company shall be deemed to have not satisfied this clause (i)) and only until the Holders receive notice of such filing or such an opportunity to review shall this clause (i) be satisfied), or (ii) the Company fails to file with the Commission a request for acceleration of a Registration Statement in accordance with Rule 461 promulgated by the Commission pursuant to the Securities Act, within five Trading Days of the date that the Company is notified (orally or in writing, whichever is earlier) by the Commission that such Registration Statement will not be "reviewed" or will not be subject to further review, or (iii) prior to the effective date of a Registration Statement, the Company fails to file a pre-effective amendment and otherwise respond in writing to comments made by the Commission in respect of such Registration Statement within thirty (30) calendar days after the receipt of comments by or notice from the Commission that such amendment is required in order for such Registration Statement to be declared effective, or (iv) a Registration Statement registering for resale all of the Registrable Securities is not declared effective by the Commission by the Effectiveness Date of the Initial Registration Statement, or (v) after the effective date of a Registration Statement, such Registration Statement ceases for any reason to remain continuously effective as to all Registrable Securities included in such Registration Statement, or the Holders are otherwise not permitted to utilize the Prospectus therein to resell such Registrable Securities, for more than fifteen (15) consecutive calendar days or more than an aggregate of twenty-five (25) calendar days (which need not be consecutive calendar days) during any 12-month period (any such failure or breach being referred to as an "Event", and for purposes of clauses (i) and (iv), the date on which such Event occurs, and for purpose of clause (ii) the date on which such five (5) Trading Day period is exceeded, and for purpose of clause (iii) the date which such thirty (30) calendar day period is exceeded, and for purpose of clause (v) the date on which such fifteen (15) or twenty-five (25) calendar day period, as applicable, is exceeded being referred to as an "Event Date"), then, in addition to any other rights the Holders may have hereunder or under applicable law, on each such Event Date and on the first thirty (30) calendar day anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) and for each subsequent thirty (30) calendar anniversary following after the first thirty (30) calendar day anniversary of each such Event Date (if the applicable Event shall not have been cured by such date), until the applicable Event is cured, the Company shall pay to the Holders on a pro rata basis based on the number of Registrable Shares being registered by each Holder an amount in cash, as partial liquidated damages and not as a penalty, the following amounts, equal to for the first thirty(30) calendar day period, $1,000 per day, and for each subsequent thirty (30) calendar day period, $5,000 per day; provided, however, that the Company shall not be required to make any payments pursuant to this Section 2(d) if an Event occurred at such time that all Registrable Securities are eligible for resale pursuant to Rule 144 (without volume restrictions or current public information requirements) promulgated by the Commission pursuant to the Securities Act and the Company has complied with the conditions set forth in section 2(a), as applicable; provided, further, that the Company shall not be required to make any payments pursuant to this Section 2(d) with respect to any Registrable Securities the Company is unable to register due to limits imposed by the Commission's interpretation of Rule 415 under the Securities Act after compliance with Section 2(b). The parties hereto agree that the maximum aggregate liquidated damages payable to a Holder under this Agreement shall be 6.0% of the aggregate Subscription Amount paid by such Holder pursuant to the Purchase Agreement. If the Company fails to pay any partial liquidated damages pursuant to this Section in full within seven (7) days after the date payable, the Company will pay interest thereon at a rate of 18% per annum (or such lesser maximum amount that is permitted to be paid by applicable law) to the Holder, accruing daily from the date such partial liquidated damages are due until such amounts, plus all such interest thereon, are paid in full. The partial liquidated damages pursuant to the terms hereof shall apply on a daily pro rata basis for any portion of a thirty (30) calendar day period prior to the cure of an Event.

(b) If Form S-3 is not available for the registration of the resale of Registrable Securities hereunder, the Company shall register the resale of the Registrable Securities on another appropriate form.

3. Registration Procedures.

In connection with the Company's registration obligations hereunder, the Company shall:

(a) Not less than one (1) Trading Day prior to the filing of each Registration Statement and not less than one (1) Trading Day prior to the filing of any related Prospectus or any amendment or supplement thereto (including any document that would be incorporated or deemed to be incorporated therein by reference), the Company shall (i) furnish to the Holders, copies of all such documents proposed to be filed, which documents (other than those incorporated or deemed to be incorporated by reference) will be subject to the review of such Holders, and (ii) cause its officers and directors, counsel and independent registered public accountants to respond to such inquiries as shall be necessary, in the reasonable opinion of respective counsel to each Holder, to conduct a reasonable investigation within the meaning of the Securities Act. Notwithstanding the above, the Company shall not be obligated to provide the Holders advance copies of any universal shelf registration statement registering securities in addition to those required hereunder, or any Prospectus prepared thereto. The Company shall not file a Registration Statement or any such Prospectus or any amendments or supplements thereto to which the Holders of 67% or more of the Registrable Securities shall reasonably object in good faith, provided that, the Company is notified of such objection in writing no later than five (5) Trading Days after the Holders have been so furnished copies of a Registration Statement or one (1) Trading Day after the Holders have been so furnished copies of any related Prospectus or amendments or supplements thereto. In the event that the Holders of 67% or more of the Registrable Securities have objected in good faith to the filing of such Registration Statement, Prospectus, or any amendments or supplements thereto and so notified the Company, then so long as the Company has acted in a diligent and good faith manner in connection with the preparation of the applicable Registration Statement, the Filing Date and Effectiveness Date shall be tolled by the same number of calendar days up to an aggregate maximum of 15 calendar days for all tolling claims made under this Section 3(a), as are necessary for such Holders to notify the Company that they no longer object to such filing. Each Holder agrees to furnish to the Company a completed questionnaire in the form attached to the Purchase Agreement (a "Selling Stockholder Questionnaire") on a date that is not less than two (2) Trading Days prior to the Filing Date or by the end of the fourth (4^{th}) Trading Day following the date on which the Holders, receives draft materials in accordance with this Section.

(b) (i) Prepare and file with the Commission such amendments, including post-effective amendments, to a Registration Statement and the Prospectus used in connection therewith as may be necessary to keep a Registration Statement continuously effective as to the applicable Registrable Securities for the Effectiveness Period and prepare and file with the Commission such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities, (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement (subject to the terms of this Agreement), and, as so supplemented or amended, to be filed pursuant to Rule 424, (iii) respond as promptly as reasonably possible to any comments received from the Commission with respect to a Registration Statement or any amendment thereto and provide as promptly as reasonably possible to the Holders true and complete copies of all correspondence from and to the Commission relating to a Registration Statement (provided that, the Company shall excise any information contained therein which would constitute material non-public information regarding the Company or any of its Subsidiaries), and (iv) comply in all material respects with the applicable provisions of the Securities Act and the Exchange Act with respect to the disposition of all Registrable Securities covered by a Registration Statement during the applicable period in accordance (subject to the terms of this Agreement) with the intended methods of disposition by the Holders thereof set forth in such Registration Statement as so amended or in such Prospectus as so supplemented.

(c) If during the Effectiveness Period, the number of Registrable Securities at any time exceeds 100% of the number of shares of Common Stock then registered in a Registration Statement, then the Company shall file as soon as reasonably practicable, but in any case, prior to the applicable Filing Date, an additional Registration Statement covering the resale by the Holders of not less than the number of such Registrable Securities.

(d) Notify the Holders of Registrable Securities to be sold (which notice shall, pursuant to clauses (iii) through (vi) hereof, be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made) as promptly as reasonably possible (and, in the case of (i)(A) below, not less than one (1) Trading Day prior to such filing) and (if requested by any such Person) confirm such notice in writing no later than one (1) Trading Day following the day (i)(A) when a Prospectus or any Prospectus supplement or post-effective amendment to a Registration Statement is proposed to be filed, (B) when the Commission notifies the Company whether there will be a "review" of such Registration Statement and whenever the Commission comments in writing on such Registration Statement, and (C) with respect to a Registration Statement or any post-effective amendment, when the same has become effective, (ii) of any request by the Commission or any other federal or state governmental authority for amendments or supplements to a Registration Statement or Prospectus or for additional information, (iii) of the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose, (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose, (v) of the occurrence of any event or passage of time that makes the financial statements included in a Registration Statement ineligible for inclusion therein or any statement made in a Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to a Registration Statement, Prospectus or other documents so that, in the case of a Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (vi) of the occurrence or existence of any pending corporate development with respect to the Company that the Company believes may be material and that, in the determination of the Company, makes it not in the best interest of the Company to allow continued availability of a Registration Statement or Prospectus, provided, however, in no event shall any such notice contain any information which would constitute material, non-public information regarding the Company or any of its Subsidiaries.

(e) Use its reasonable best efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order stopping or suspending the effectiveness of a Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment.

(f) Furnish to the Holders, without charge, at least one conformed copy of each such Registration Statement and each amendment thereto, including financial statements and schedules, all documents incorporated or deemed to be incorporated therein by reference to the extent requested by such Person, and all exhibits to the extent requested by such Person (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the Commission; provided, that any such item which is available on the EDGAR system (or successor thereto) need not be furnished in physical form.

(g) Subject to the terms of this Agreement, the Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto, except after the giving of any notice pursuant to Section 3(d).

(h) The Company shall cooperate with any broker-dealer through which a Holder proposes to resell its Registrable Securities in effecting a filing with the FINRA Corporate Financing Department pursuant to FINRA Rule 5110, as requested by any such Holder, and the Company shall pay the filing fee required by such filing within two (2) Business Days of request therefor.

(i) Prior to any resale of Registrable Securities by a Holder, use its commercially reasonable efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from the registration or qualification) of such Registrable Securities for the resale by the Holder under the securities or Blue Sky laws of such jurisdictions within the United States as any Holder reasonably requests in writing, to keep each registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things reasonably necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by each Registration Statement; provided, that, the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified, subject the Company to any material tax in any such jurisdiction where it is not then so subject or file a general consent to service of process in any such jurisdiction.

(j) If requested by a Holder, cooperate with such Holder to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to a Registration Statement, which certificates shall be free, to the extent permitted by the Purchase Agreement and applicable law, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holder may request.

(k) Upon the occurrence of any event contemplated by Section 3(d), as promptly as reasonably possible under the circumstances taking into account the Company's good faith assessment of any adverse consequences to the Company and its stockholders of the premature disclosure of such event, prepare a supplement or amendment, including a post-effective amendment, to a Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither a Registration Statement nor such Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Holders in accordance with clauses (iii) through (vi) of Section 3(d) above to suspend the use of any Prospectus until the requisite changes to such Prospectus have been made, then the Holders shall suspend use of such Prospectus. The Company will use its reasonable best efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable. The Company shall be entitled to exercise its right under this Section 3(k) to suspend the availability of a Registration Statement and Prospectus, subject to the payment of partial liquidated damages otherwise required pursuant to Section 2(d), for a period not to exceed 60 calendar days (which need not be consecutive days) in any 12-month period.

(l) Comply with all applicable rules and regulations of the Commission.

(m) The Company shall use its reasonable best efforts to obtain and maintain eligibility for use of Form S-3 (or any successor form thereto) for the registration of the resale of Registrable Securities.

(n) The Company may require each selling Holder to furnish to the Company a certified statement as to the number of shares of Common Stock beneficially owned by such Holder and, if required by the Commission, the natural persons thereof that have voting and dispositive control over the shares. During any periods that the Company is unable to meet its obligations hereunder with respect to the registration of the Registrable Securities solely because any Holder fails to furnish such information within three Trading Days of the Company's request, any liquidated damages that are accruing at such time as to such Holder only shall be tolled and any Event that may otherwise occur solely because of such delay shall be suspended as to such Holder only, until such information is delivered to the Company.

4. Registration Expenses. All fees and expenses incident to the performance of or compliance with, this Agreement by the Company shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses of the Company's counsel and independent registered public accountants) (A) with respect to filings made with the Commission, (B) with respect to filings required to be made with any Trading Market on which the Common Stock is then listed for trading, (C) in compliance with applicable state securities or Blue Sky laws reasonably agreed to by the Company in writing (including, without limitation, fees and disbursements of counsel for the Company in connection with Blue Sky qualifications or exemptions of the Registrable Securities) and (D) if not previously paid by the Company, with respect to any filing that may be required to be made by any broker through which a Holder intends to make sales of Registrable Securities with FINRA pursuant to FINRA Rule 5110, so long as the broker is receiving no more than a customary brokerage commission in connection with such sale, (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities), (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, and (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder.

5. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each Holder, the officers, directors, members, partners, agents, brokers (including brokers who offer and sell Registrable Securities as principal as a result of a pledge or any failure to perform under a margin call of Common Stock), investment advisors and employees (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each of them, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, members, stockholders, partners, agents and employees (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable attorneys' fees) and expenses (collectively, "Losses"), as incurred, arising out of or relating to (1) any untrue or alleged untrue statement of a material fact contained in a Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading or (2) any violation or alleged violation by the Company of the Securities Act, the Exchange Act or any state securities law, or any rule or regulation thereunder, in connection with the performance of its obligations under this Agreement, except to the extent, but only to the extent, that (i) such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement, such Prospectus or in any amendment or supplement thereto (it being understood that the Holder has approved Annex A hereto for this purpose) or (ii) in the case of an occurrence of an event of the type specified in Section 3(d)(iii)-(vi), the use by such Holder of an outdated, defective or otherwise unavailable Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated, defective or otherwise unavailable for use by such Holder and prior to the receipt by such Holder of the Advice contemplated in Section 6(d), but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected. The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding arising from or in connection with the transactions contemplated by this Agreement of which the Company is aware. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such indemnified person and shall survive the transfer of any Registrable Securities by any of the Holders in accordance with Section 6(h).

(b) Indemnification by Holders. Each Holder shall, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title), to the fullest extent permitted by applicable law, from and against all Losses, as incurred, to the extent arising out of or based solely upon: (x) such Holder's failure to comply with any applicable prospectus delivery requirements of the Securities Act or the plan of distribution in any Registration Statement through no fault of the Company or (y) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading (i) to the extent, but only to the extent, that such untrue statement or omission is contained in any information so furnished in writing by such Holder to the Company expressly for inclusion in such Registration Statement or such Prospectus or (ii) to the extent, but only to the extent, that such information relates to such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement (it being understood that the Holder has approved Annex A hereto for this purpose), such Prospectus or in any amendment or supplement thereto or (iii) in the case of an occurrence of an event of the type specified in Section 3(d)(iii)-(vi), to the extent, but only to the extent, related to the use by such Holder of an outdated, defective or otherwise unavailable Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated, defective or otherwise unavailable for use by such Holder and prior to the receipt by such Holder of the Advice contemplated in Section 6(d), but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected. In no event shall the liability of any selling Holder under this Section 5(b) be greater in amount than the dollar amount of the net proceeds actually received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "Indemnifying Party") in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof; provided, that, the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have materially and adversely prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses, (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding, or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and counsel to the Indemnified Party shall reasonably believe that a material conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and the reasonable fees and expenses of no more than one separate counsel shall be at the expense of the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld or delayed. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

Subject to the terms of this Agreement, all reasonable fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section) shall be paid to the Indemnified Party, as incurred, within ten Trading Days of written notice thereof to the Indemnifying Party; provided, that, the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) not to be entitled to indemnification hereunder.

(a) Contribution. If the indemnification under Section 5(a) or 5(b) is unavailable to an Indemnified Party or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 5(d), no Holder shall be required to contribute pursuant to this Section 5(d), in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Holder from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

The indemnity and contribution agreements contained in this Section are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.

6. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Holder of any of their respective obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. Each of the Company and each Holder agrees that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall not assert or shall waive the defense that a remedy at law would be adequate.

(b) No Piggyback on Registrations; Prohibition on Filing Other Registration Statements. Neither the Company nor any of its security holders (other than the Holders in such capacity pursuant hereto) may include securities of the Company in any Registration Statements other than the Registrable Securities. The Company shall not file any other registration statements (other than any registration statement on Form S-1 or Form S-3 for an underwritten public offering of any of the Company's securities (an "Underwritten Offering")) until all Registrable Securities are registered pursuant to a Registration Statement that is declared effective by the Commission, provided that this Section 6(b) shall not prohibit the Company from filing amendments to registration statements filed prior to the date of this Agreement.

(c) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it (unless an exemption therefrom is available) in connection with sales of Registrable Securities pursuant to a Registration Statement.

(d) Discontinued Disposition. By its acquisition of Registrable Securities, each Holder agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 3(d)(iii) through (vi), such Holder will forthwith discontinue disposition of such Registrable Securities under a Registration Statement until it is advised in writing (the "Advice") by the Company that the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed. The Company will use its reasonable best efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable. The Company agrees and acknowledges that any periods during which the Holder is required to discontinue the disposition of the Registrable Securities hereunder shall be subject to the provisions of Section 2(d).

(e) Piggy-Back Registrations. If, at any time during the Effectiveness Period, there is not an effective Registration Statement covering all of the Registrable Securities and the Company shall determine to prepare and file with the Commission a registration statement, other than with respect to an Underwritten Offering, relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities, other than on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the Company's stock option or other employee benefit plans, then the Company shall deliver to each Holder a written notice of such determination and, if within fifteen days after the date of the delivery of such notice, any such Holder shall so request in writing, the Company shall include in such registration statement all or any part of such Registrable Securities such Holder requests to be registered; provided, however, that the Company shall not be required to register any Registrable Securities pursuant to this Section 6(e) that are eligible for resale pursuant to Rule 144 (without volume restrictions or current public information requirements) promulgated by the Commission pursuant to the Securities Act or that are the subject of a then effective Registration Statement.

(f) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Holders of 67% or more of the then outstanding Registrable Securities (for purposes of clarification, this includes any Registrable Securities issuable upon exercise or conversion of any Security). If a Registration Statement does not register all of the Registrable Securities pursuant to a waiver or amendment done in compliance with the previous sentence, then the number of Registrable Securities to be registered for each Holder shall be reduced pro rata among all Holders and each Holder shall have the right to designate which of its Registrable Securities shall be omitted from such Registration Statement. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of a Holder or some Holders and that does not directly or indirectly affect the rights of other Holders may be given only by such Holder or Holders of all of the Registrable Securities to which such waiver or consent relates; provided, however, that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the first sentence of this Section 6(f). No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration also is offered to all of the parties to this Agreement.

(g) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be delivered as set forth in the Purchase Agreement.

(h) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Holder. The Company may not assign (except by merger) its rights or obligations hereunder without the prior written consent of all of the Holders of the then outstanding Registrable Securities. Each Holder may assign their respective rights hereunder in the manner and to the Persons as permitted under Section 5.7 of the Purchase Agreement.

(i) No Inconsistent Agreements. Neither the Company nor any of its Subsidiaries has entered, as of the date hereof, nor shall the Company or any of its Subsidiaries, on or after the date of this Agreement, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. Neither the Company nor any of its Subsidiaries has previously entered into any agreement granting any registration rights with respect to any of its securities to any Person that have not been satisfied in full.

(j) Execution and Counterparts. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

(k) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined in accordance with the provisions of the Purchase Agreement.

(l) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any other remedies provided by law.

(m) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto 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 term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(n) Headings. The headings in this Agreement are for convenience only, do not constitute a part of the Agreement and shall not be deemed to limit or affect any of the provisions hereof.

(o) Independent Nature of Holders' Obligations and Rights. The obligations of each Holder hereunder are several and not joint with the obligations of any other Holder hereunder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Holder pursuant hereto or thereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Holders are in any way acting in concert or as a group or entity with respect to such obligations or the transactions contemplated by this Agreement or any other matters, and the Company acknowledges that the Holders are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or transactions. Each Holder shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Holder to be joined as an additional party in any proceeding for such purpose. The use of a single agreement with respect to the obligations of the Company contained was solely in the control of the Company, not the action or decision of any Holder, and was done solely for the convenience of the Company and not because it was required or requested to do so by any Holder. It is expressly understood and agreed that each provision contained in this Agreement is between the Company and a Holder, solely, and not between the Company and the Holders collectively and not between and among Holders.

****

(Signature Pages Follow)

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

INNOCAP, INC., a Nevada corporation

By: _____
Name:
Title:

[SIGNATURE PAGE OF PURCHASERS FOLLOWS]

SIGNATURE PAGE OF PURCHASERS TO INNOCAP, INC. REGISTRATION RIGHTS AGREEMENT

Investors:

The Purchasers set forth on Schedule I to the Purchase Agreement have executed a Purchase Agreement with the Company which provides, among other things, that by executing the Purchase Agreement each Investor is deemed to have executed this REGISTRATION RIGHTS AGREEMENT in all respects and is bound to purchase the Securities set forth in such Purchase Agreement and Schedule I to the Purchase Agreement.

Annex A

Plan of Distribution

Each selling stockholder (the "Selling Stockholders") of the securities of Innocap, Inc., a Nevada corporation (the "Company"), and any of their pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their Company securities covered hereby on the Nasdaq Capital Market or any other stock exchange, market or trading facility on which such securities are traded or in private transactions. These sales may be at fixed or negotiated prices. A Selling Stockholder may use any one or more of the following methods when selling securities:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;
- in transactions through broker-dealers that agree with the Selling Stockholders to sell a specified number of such securities at a stipulated price per security;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; or
- any other method permitted pursuant to applicable law.

The Selling Stockholders may also sell securities under Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"), if available, rather than under this prospectus.

Broker-dealers engaged by the Selling Stockholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Stockholders (or, if any broker-dealer acts as agent for the purchaser of securities, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this Prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with FINRA Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with FINRA IM-2440.

In connection with the sale of the securities or interests therein, the Selling Stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the securities in the course of hedging the positions they assume. The Selling Stockholders may also sell securities short and deliver these securities to close out their short positions, or loan or pledge the securities to broker-dealers that in turn may sell these securities. The Selling Stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or create one or more derivative securities which require the delivery to such broker-dealer or other financial institution of securities offered by this prospectus, which securities such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The Selling Stockholders and any broker-dealers or agents that are involved in selling the securities may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the securities purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each Selling Stockholder has informed the Company that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the securities. In no event shall any broker-dealer receive fees, commissions and markups which, in the aggregate, would exceed eight percent (8%).

The Company is required to pay certain fees and expenses incurred by the Company incident to the registration of the securities. The Company has agreed to indemnify the Selling Stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

Because Selling Stockholders may be deemed to be "underwriters" within the meaning of the Securities Act, they will be subject to the prospectus delivery requirements of the Securities Act including Rule 172 thereunder. In addition, any securities covered by this prospectus which qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than under this prospectus. The Selling Stockholders have advised us that there is no underwriter or coordinating broker acting in connection with the proposed sale of the resale securities by the Selling Stockholders.

We agreed to keep this prospectus effective until the earliest of (i) one (1) year from the date the Registration Statement is declared effective by the Commission, (ii) the date on which the securities may be resold by the Selling Stockholders without registration and without regard to any volume or manner-of-sale limitations by reason of Rule 144, without the requirement for the Company to be in compliance with the current public information under Rule 144 under the Securities Act or any other rule of similar effect or (iii) the date on which all of the securities have been sold pursuant to this prospectus or Rule 144 under the Securities Act or any other rule of similar effect. The resale securities will be sold only through registered or licensed brokers or dealers if required under applicable state securities laws. In addition, in certain states, the resale securities covered hereby may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the resale securities may not simultaneously engage in market making activities with respect to the common stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the Selling Stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of securities of the common stock by the Selling Stockholders or any other person. We will make copies of this prospectus available to the Selling Stockholders and have informed them of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is made and entered into as of May 29, 2020, by and between**Unique Logistics Holdings Limited** (the "Company"), a Corporation organized and existing under the laws of the State of Delaware (the "Company"), and Sunandan Ray ("Executive").

RECITALS

A. Employee is knowledgeable with respect to the business of the Company, including the business to be engaged in by the Company following the Company's acquisition of those certain entities of Unique Logistics Holdings Limited, Hong Kong.

B. Company desires to offer employment to Employee and Employee desires to be employed by Company.

C. Company and Employee agree to enter into an Employment Agreement providing for the term set forth in Section 3 below, with automatic annual one-year renewals thereafter on the terms and conditions herein provided.

In consideration of the mutual promises set forth in this Agreement the parties hereto agree as follows:

ARTICLE I

Term of Employment

1.01 Subject to the provisions of Article V, and upon the terms and subject to the conditions set forth herein, the Company will continue to employ Executive for the period beginning, May 29, 2020 (the "Commencement Date") and ending on December 31, 2022, (the "Initial Term"). The Initial Term shall be automatically renewed for successive consecutive one (1) year periods (each, a "Renewal Term" and the Initial Term and Renewal Term are collectively referred to as the "term of employment") thereafter unless either party sends notice to the other party, not more than 270 days and not less than 180 days before the end of the thenexisting term of employment, of such party's desire to terminate the Agreement at the end of the thenexisting term, in which case this Agreement will terminate at the end of the thenexisting term. Executive will serve the Company during the term of employment.

ARTICLE II

Duties

2.01

(a) During the term of employment, Executive will:

(i) Promote the interests, within the scope of his duties, of the Company and devote his full working time and efforts to the Company's business and affairs;

(ii) Serve as the President/ Chief Executive Officer of the Company; and

(iii) Perform the duties and services consistent with the title and function of such office, including without limitation, those set forth in the bylaws of the Company.

(b) Executive shall serve at the Company's principal headquarters located in its current offices or those within a twenty (20) mile radius as determined by the Company's Board of Directors.

(c) Notwithstanding anything contained in clause 2.01(a)(i) above to the contrary, nothing contained herein or under law shall be construed as preventing Executive from (i) investing Executive's personal assets in such form or manner as will not require any services on the part of Executive in the operation or the affairs of the companies in which such investments are made and in which his participation is solely that of an investor; (ii) engaging (whether or not during normal business hours) in any other professional, civic, or philanthropic activities provided that Executive's engagement does not result in a violation of his covenants under this Section or Article VI hereof; or (iii) accepting appointments to the boards of directors of other companies provided that the Board of Directors of the Company reasonably approves of such appointments and Executive's performance of his duties on such boards does not result in a violation of his covenants under this Section or Article VI hereof.

ARTICLE III

Base Compensation

3.01 The Company will compensate Executive for the duties performed by him hereunder by payment of a base salary at the rate of $250,000 per annum (the "Base"), payable in equal semimonthly installments, subject to customary withholding for federal, state, and local taxes and other normal and customary withholding items. The Base will be increased on January 1 of each year by three percent (3.0%) per annum (which figure shall act as a surrogate for the service cost of living increases) over the thenexisting Base.

3.02 Reserved.

3.03 Cash Bonus. In addition to the Base, the Company shall pay to the Executive a bonus determined by the relationship between the Company's annual performance and an annual target performance set each year by mutual agreement between the Company and the Executive as follows:

Target: EBITDA per calendar year.

2020 (pro-rated in case of part year): $ 1.5 million
2021: $ 2.0 million
2022: $ 2.5 million

% of Target	>150%	149-120%	119-100%	99-80%	79-60%	Under 60%
% of Annual Base Salary	125%	100%	75%	60%	30%	0%

3.04 Stock Bonus. At the discretion of the Company's Board of Directors, the Executive will also be eligible for periodic stock incentive bonuses.

ARTICLE IV

Reimbursement and Employment Benefits

4.01 Health and Other Medical. Executive shall be eligible to participate in all health, medical, dental, and life insurance employee benefits as are available from time to time to other key executive employees (and their families) of the Company, including a Life Insurance Plan, Medical and Dental Insurance Plan, and a Long Term Disability Plan (the "Plans"), the terms of which are set forth on Schedule 4.01. The Company shall pay all premiums with respect to such Plans. To the extent that such reimbursement is deemed to be includable in Executive's gross income, the Company shall pay to the Executive the Tax Effect (as defined herein) of such sum (e.g., if the reimbursement is $1000.00, then the Company would pay to the Executive the sum of $666.67, which is $1000 divided by the Tax Effect (assuming a 40% rate), and subtracting the amount reimbursed). "Tax Effect" shall mean the quotient of the amount reimbursed divided by 0.54.

4.02 Vacation. Executive shall be entitled to five weeks of vacation and ten personal days per year, to be taken in such amounts and at such times as shall be mutually convenient for Executive and the Company. Any time not taken by Executive in one year shall be carried forward to subsequent years. If all such vacation and personal time to which Executive is entitled is not taken by Executive before the termination of this Agreement, Executive shall be entitled to be reimbursed upon termination (for any reason) for such lost time in accordance with the Base then in effect.

4.03 PerformanceEnhancing Items. Executive shall be entitled to receive from the Company (a) an annual car allowance up to $18,000 per annum, and (b) reimbursement by the Company for home office expenses including without limitation the purchase and maintenance of a home computer with linkup facilities to the Company, a home facsimile, printer and scanner, interconnection of two telephone or cable connections to the Internet, laptop computer, portable mobile phone, together with any charges for the use thereof. To the extent that any and all such reimbursements or payments by the Company are includable in Executive's gross income, then the Company shall, on or before June 1 of the year after the payment is made, pay the Tax Effect thereof to the Executive.

4.04 Reimbursable Expenses. The Company shall in accordance with its standard policies in effect from time to time reimburse Executive for all reasonable out of pocket expenses actually incurred by him in the conduct of the business of the Company including business class air travel for flights of 4 hours or more, quality hotels and rental cars, entertainment and similar executive expenditures provided that Executive submits all substantiation of such expenses to the Company on a timely basis in accordance with such standard policies.

4.05 Savings Plan. Executive will be eligible to enroll and participate, and be immediately vested in, all Company savings and retirement plans, including any 401(k) plans. To the extent permissible by law, the Company shall match in cash fifty percent (50%) of all of Executive's contributions to such plan or plans. To the extent that any and all such reimbursements or payments by the Company are includable in Executive's gross income, then the Company shall, on or before June 1 of the year after the payment is made, pay the Tax Effect thereof to the Executive.

4.06 Life Insurance. The Company shall pay all premiums for Executive to receive on his life (a) term life insurance premiums paid by Executive on his own life, provided that the life insurance proceeds do not exceed 250% of Executive's previous year's Base and Bonus and (b) split dollar life insurance in the face amount of $1,000,000, it being understood that Executive may designate the beneficiary (or beneficiaries) of such policies. To the extent that any and all such reimbursements or payments by the Company are includable in Executive's gross income, then the Company shall, on or before June 1 of the year after the payment is made, pay the Tax Effect thereof to the Executive.

4.07 Directors and Officers Liability Insurance. The Company will provide liability insurance coverage protecting Executive and his estate, to the extent permitted by law against suits by fellow employees, shareholders and third parties and criminal and regulatory investigations arising out of any alleged act or omission occurring with the course and scope of Executive's employment with the Company. Such insurance will be in an amount not less than two million dollars.

4.08 Financial Planning. The Company shall reimburse Executive for all legal, and accounting costs, fees, and expenses incurred each year by Executive in connection with (a) income tax preparation and (b) estate planning, provided that the aggregate annual expenses to be reimbursed shall not exceed Ten Thousand Dollars ($10,000.00). To the extent that any and all such reimbursements or payments by the Company are includable in Executive's gross income, then the Company shall, on or before June 1 of the year after the payment is made, pay the Tax Effect thereof to the Executive.

4.09. Disability Insurance. The Company shall pay all premiums for Executive's disability insurance. The premiums for the disability insurance shall be paid by the Company. To the extent that any and all such reimbursements or payments by the Company are includable in Executive's gross income, then the Company shall, on or before June 1 of the year after the payment is made, pay the Tax Effect thereof to the Executive.

ARTICLE V

Termination

5.01 This Agreement may be terminated upon the first to occur of the following (a) the Company's termination pursuant to section 5.02, (b) the Executive's termination pursuant to section 5.03 or (c) the Executive's death.

5.02 By the Company. This Agreement may be terminated by the Company upon written notice to the Executive upon the first to occur of the following:

(a) Disability. Upon the Executive's Disability (as defined herein). Disability" shall mean Executive's inability to perform his duties as an employee despite all reasonable accommodations having been provided due to a medically determinable physical illness or injury. In the event the Company believes the Executive suffers from Disability, then the Company shall provide the opinions of two (2) board certified physicians, each certified in a specialty relevant to the disability and shall provide such opinions to the Executive or his representative at least 90 days prior to sending notice of termination based upon Disability.

(b) Cause. Upon the Executive's commission of Cause (as defined herein). The term "Cause" shall mean the following:

(i) Any ongoing and willful violation by Executive of any material provision of this Agreement (including without limitation Sections 6.01 and 6.02 hereof) causing demonstrable and serious injury to the Company, upon written notice of the same by the Company describing in detail the breach asserted and stating that it constitutes notice pursuant to this Section 5.02(b)(i), which breach, if capable of being cured, has not been cured within sixty (60) days after such notice or such longer period of time if Executive proceeds with due diligence not later than ten (10) days after such notice to cure such breach.

(ii) Embezzlement by Executive of funds or property of the Company;

(iii) Fraud or willful misconduct on the part of Executive in the performance of his duties as an employee of the Company causing demonstrable and serious injury to the Company, provided that the Company has given written notice of such breach which notice describes in detail the breach asserted and stating that it constitutes notice pursuant to this Section 5.02(b)(iii), and which breach, if capable of being cured, has not been cured within sixty (60) days after such notice or such longer period of time if Executive proceeds with due diligence not later than ten (10) days after such notice to cure such breach; or

(iv) A felony conviction of Executive under the laws of the United States or any state (except for any conviction based on a vicarious liability theory and not the actual conduct of the Executive) that relates to the Executive's duties or responsibilities in connection with this Employment Agreement .

Upon a termination for Cause, the Company shall pay Executive his Base and benefits including vacation pay through the date of termination of employment; but Executive shall not receive severance under this Agreement upon termination for Cause.

5.03 By the Executive. This Agreement may be terminated by the Executive upon written notice to the Company upon the first to occur of the following:

(a) Change in Control. Upon the occurrence of a "Change in Control" (as defined herein) of the Company. The term "Change in Control" shall mean any of the following: (i) a replacement of more than one half of the Board of Directors of the Company, (ii) a sale of more than one half of the voting securities of the Company (or the entity ultimately owning or controlling such Company) or the sale or exchange of all or substantially all of the assets of either such Company, (iii) a merger or consolidation involving either such entity where the entity is not the survivor in such merger or consolidation (or the entity ultimately owning or controlling such entity), (iv) a liquidation, winding up, or dissolution of either such entity or (v) an assignment for the benefit of creditors, foreclosure sale, voluntary filing of a petition under the Bankruptcy Reform Act of 1978, or an involuntary filing under such act which filing is not stayed or dismissed within 45 days of filing.

(b) Constructive Termination. Upon the occurrence of a "Constructive Termination" (as defined herein) by the Company. The term "Constructive Termination" shall mean any of the following:

(i) Any breach by the Company of any material provision of this Agreement, including, without limitation, the assignment to the Executive of duties inconsistent with his position specified in Section 2.01 hereof or any breach by the Company of such Section, which is not cured within 60 days after written notice of same by Executive, describing in detail the breach asserted and stating that it constitutes notice pursuant to this Section 5.03;

(ii) A substantial and continued reduction in the level of support, services, staff, secretarial resources, office space, and accoutrements below that which is reasonably necessary for the performance of Executive's duties hereunder, consistent with that of other key executive employees.

5.04 Consequences of Termination. Upon any termination of Executive's employment with the Company, except for a termination for Cause, the Executive shall be entitled to (a) a payment equal to the greater of (i) two years' worth of the thenexisting Base and the last year's Bonus (the "Severance") and (b) retain the benefits set forth in Article IV for the balance of the term. If the Severance is equal to the amount set forth in clause (ii), the Company shall also pay to Executive in a timely fashion any excise and other penalties and taxes as a result of section 280G of the Internal Revenue Code of 1986 as amended (or such replacement or successor provision and applicable state law counterpart). The Severance shall be paid, at Executive's option, either (x) in a lump sum upon termination with such payments discounted by the U.S. Treasury rate most closely comparable to the applicable time period left in the Agreement or (y) as and when normal payroll payments are made (except in the case of the Bonus which shall be payable in a lump sum between January 1 and January 10 of each year).

ARTICLE VI

Covenants

6.01 Executive shall treat as confidential and keep secret designated confidential information of the Company and shall not at any time during the term of employment, without the prior written consent of the Company, divulge, furnish, or make known or accessible to, or use for the benefit of, anyone other than the Company and its subsidiaries and affiliates any confidential information obtained by him in the course of his employment hereunder. *provided, however,* that confidential information of the Company shall not include any information known or available generally to the public (other than as a result of unauthorized disclosure by Executive) or any non-proprietary information.

6.02 All records, papers, and documents kept or made by Executive relating to the business of the Company or its subsidiaries or affiliates or their clients shall be and remain the property of the Company.

6.03 Following the termination of Executive's employment hereunder for any reason except for those set forth in section 5.03 in which event this section is inapplicable, Executive shall not for a period of twelve (12) months from such termination, solicit any employee of the Company to leave such employ to enter the employ of Executive or of any person, firm, or Company with which Executive is then associated (except solicitation by general means such as newspapers).

6.04 If at the time of enforcement of any provision of this Agreement, a court shall hold that the duration, scope, or area restriction of any provision hereof is unreasonable under circumstances now or then existing, the parties hereto agree that the maximum duration, scope, or area reasonable under the circumstances shall be substituted by the court for the stated duration, scope, or area.

6.05 Executive acknowledges that any breach by him of the provisions of this Article VI of this Agreement might cause irreparable harm to the Company and that a remedy at law for any breach or attempted breach of Article VI of this Agreement might be inadequate, and agrees that, notwithstanding Article VIII hereof, the Company may seek available remedies, including specific performance and injunctive and other equitable relief, in the case of any such breach or attempted breach.

6.06 The Company represents and warrants that this Agreement has been duly authorized, executed, and delivered on behalf of the Company and that this Agreement represents the legal, valid, and binding obligation of the Company and does not conflict with any other agreement binding on the Company.

ARTICLE VII

Assignment

7.01 This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company without relieving the Company of its obligations hereunder. Neither this Agreement nor any rights hereunder shall be assignable by Executive and any such purported assignment by him shall be void.

ARTICLE VIII

Entire Agreement

8.01 This Agreement constitutes the entire understanding between the Company and Executive concerning his employment by the Company or subsidiaries and supersedes any and all previous agreements between Executive and the Company or any of its affiliates or subsidiaries concerning such employment, including, without limitation, the Original Employment Agreement. Each party hereto shall pay its own costs and expenses (including legal fees) except as otherwise expressly provided herein incurred in connection with the preparation, negotiation, and execution of this Agreement. This Agreement may not be changed orally, but only in a written instrument signed by both parties hereto.

ARTICLE IX

Applicable Law. Miscellaneous

9.01 This Agreement shall be governed by and construed in accordance with the laws of the State of New York. All actions brought to interpret or enforce this Agreement shall be brought in courts located in New York County.

9.02 The Company shall indemnify and hold harmless Executive to the full extent authorized or permitted by law with respect to any claim, liability, action, or proceeding instituted or threatened against or incurred by Executive or his legal representatives and arising in connection with Executive's conduct or position at any time as a director, officer, employee, or agent of the Company or any subsidiary thereof. The Company shall not change, modify, alter, or in any way limit the existing indemnification and reimbursement provisions relating to and for the benefit of its directors and officers without the prior written consent of the Executive, including any modification or limitation of any directors and officers liability insurance policy.

9.03 No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a continuing waiver or a waiver of any similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party hereto which are not set forth expressly in this Agreement.

9.04 The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

9.05 This Agreement may be executed in several counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

9.06 The section headings contained in this Agreement are inserted for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

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

Company:

UNIQUE LOGISTICS HOLDINGS, INC.

By: */s/ Sunandan Ray*
Name: Sunandan Ray
Title: Chief Executive Agreement

Executive:

_____
Sunandan Ray

GENERAL RELEASE AGREEMENT

This **GENERAL RELEASE AGREEMENT** (this "Agreement"), dated as of October 8, 2020, is entered into by and among Innocap, Inc., a Nevada corporation ("Seller"), Star Exploration Corporation a Texas Corporation ("Split-Off Subsidiary"), Paul Tidwell ("Buyer") and Unique Logistics Holdings, Inc, a Delaware Corporation ("ULHI"). In consideration of the mutual benefits to be derived from this Agreement, the covenants and agreements set forth herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the execution and delivery hereof, the parties hereto hereby agree as follows:

1. Split-Off Agreement. This Agreement is executed and delivered by Split-Off Subsidiary pursuant to the requirements of Section 8.3 of that certain Split-Off Agreement (the "Split-Off Agreement") by and among Seller, Split-Off Subsidiary and Buyer as a condition precedent to the closing (the "Closing") of the Split-Off Agreement.

2. Release and Waiver by Split-Off Subsidiary. For and in consideration of the covenants and promises contained herein and in the Split-Off Agreement, the receipt and sufficiency of which are hereby acknowledged, Split-Off Subsidiary, on behalf of itself and its permitted assigns, representatives and agents, if any (the "Split-Off Subsidiary Releasors"), hereby covenants not to sue and fully, finally and forever completely releases Seller and UHLI, along with each of their respective present, future and former officers, directors, stockholders, members, employees, agents, attorneys and representatives (collectively, the "Released Parties"), of and from any and all claims, actions, obligations, liabilities, demands and/or causes of action, of whatever kind or character, whether now known or unknown, which Split-Off Subsidiary or any of the other Split-Off Subsidiary Releasors has or might claim to have against any of the Released Parties for any and all injuries, harm, damages (actual and punitive), costs, losses, expenses, attorneys' fees and/or liability or other detriment, if any, whenever incurred or suffered by Split-Off Subsidiary or any of the other Split-Off Subsidiary Releasors arising from, relating to, or in any way connected with, any fact, event, transaction, action or omission that occurred or failed to occur on or prior to the date of the Closing.

3. Release and Waiver by Buyer. For and in consideration of the covenants and promises contained herein and in the Split-Off Agreement, the receipt and sufficiency of which are hereby acknowledged, Buyer on behalf of himself and his, heirs, permitted assigns, representatives and agents, if any (the "Buyer Releasors"), hereby covenants not to sue and fully, finally and forever completely releases the Released Parties of and from any and all claims, actions, obligations, liabilities, demands and/or causes of action, of whatever kind or character, whether now known or unknown which Buyer or any of the other Buyer Releasors has or might claim to have against the Released Parties for any and all injuries, harm, damages (actual and punitive), costs, losses, expenses, attorneys' fees and/or liability or other detriment, if any, whenever incurred or suffered by Buyer or any of the other Buyer Releasors arising from, relating to, or in any way connected with, any fact, event, transaction, action or omission that occurred or failed to occur on or prior to the date of the Closing.

4. Additional Covenants and Agreements.

(a) Each of Split-Off Subsidiary and Buyer, on the one hand, and Seller, on the other hand, waives and releases the other from any claims that this Agreement was procured by fraud or signed under duress or coercion so as to make this Agreement not binding.

(b) Each of the parties hereto acknowledges and agrees that the releases set forth herein do not include any claims the other party hereto may have against such party for such party's failure to comply with or breach of any provision in this Agreement or the Split-Off Agreement.

(c) Notwithstanding anything contained herein to the contrary, this Agreement shall not release or waive, or in any manner affect or void, any party's rights and obligations under the Split-Off Agreement or the Merger Agreement (as such term is defined in the Split-Off Agreement.

5. Modification. This Agreement cannot be modified orally and can only be modified through a written document signed by all of the parties.

6. Severability. If any provision contained in this Agreement is determined to be void, illegal or unenforceable, in whole or in part, then the other provisions contained herein shall remain in full force and effect as if the provision that was determined to be void, illegal or unenforceable had not been contained herein.

7. Expenses. The parties hereto agree that each party shall pay its respective costs, including attorneys' fees, if any, associated with this Agreement.

8. Further Acts and Assurances. Split-Off Subsidiary and Buyer agree that each of them will act in a manner supporting compliance, including compliance by their respective Affiliates, with all of their respective obligations under this Agreement and, from time to time, shall, at the request of Seller, and without further consideration, cause the execution and delivery of such other instruments of release or waiver and take such other action or execute such other documents as such party may reasonably request in order to confirm or effect the releases, waivers and covenants contained herein, and, in the case of any claims, actions, obligations, liabilities, demands and/or causes of action that cannot be effectively released or waived without the consent or approval of other persons or entities that is unobtainable, to use its best reasonable efforts to ensure that the Seller Released Parties receive the benefits thereof to the maximum extent permissible in accordance with applicable law or other applicable restrictions, and shall perform such other acts which may be reasonably necessary to effectuate the purposes of this Agreement. For the purposes of this Agreement, an "Affiliate" is a person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, another specified person or entity.

9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to principles of conflicts or choice of laws thereof.

10. Entire Agreement. This Agreement,the Split-Off Agreement and the Merger Agreement constitute the entire understanding and agreement of Seller, Split-Off Subsidiary and Buyer and supersedes prior understandings and agreements, if any, among or between Seller, Split-Off Subsidiary and Buyer with respect to the subject matter hereof and thereof, other than as specifically referenced herein. This Agreement does not, however, operate to supersede or extinguish any confidentiality, non-solicitation, non-disclosure or non-competition obligations owed by Split-Off Subsidiary or Buyer to Seller under any prior agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this General Release Agreement as of the day and year first above written.

INNOCAP, INC.

By: _____
Name:
Title:

INNOCAP HOLDINGS, INC.

By: _____
Name:
Title:

BUYER:

_____
Paul Tidwell

UNIQUE LOGISTICS HOLDINGS, INC.

By: _____
Name:
Title:

SPLIT-OFF AGREEMENT

This **SPLIT-OFF AGREEMENT**, dated as of October 8, 2020 (this "Agreement"), is entered into by and among Innocap, Inc., a Nevada corporation ("Seller"), Star Exploration Corp, a Texas corporation ("Split-Off Subsidiary"), and Paul Tidwell ("Buyer"). Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Merger Agreement (as defined below).

RECITALS:

WHEREAS, Seller is the owner of all of the issued and outstanding capital stock of Split-Off Subsidiary; Split-Off Subsidiary is a wholly-owned subsidiary of Seller which will acquire the business assets and liabilities previously held by Seller; and Seller has no other businesses or operations prior to the Merger (as defined herein);

WHEREAS, in conjunction with the consummation of the transactions contemplated pursuant to this Agreement, Seller, Unique Logistics Holdings, Inc., a Delaware corporation ("ULHI"), and Unique Acquisition Corp., a newly-formed wholly-owned Delaware subsidiary of Seller ("Acquisition Subsidiary"), will consummate the transactions contemplated pursuant to an Agreement and Plan of Merger and Reorganization (the "Merger Agreement") pursuant to which Acquisition Subsidiary will merge with and into ULHI with ULHI remaining as the surviving entity (the "Merger"); and the equity holders of ULHI will receive securities of Seller in exchange for their equity interests in ULHI;

WHEREAS, the execution and delivery of this Agreement is required by ULHI as a condition to its execution of the Merger Agreement, and the consummation of the assignment, assumption, purchase and sale transactions contemplated by this Agreement is also a condition to the closing of the Merger pursuant to the Merger Agreement, and Seller will represent to ULHI in the Merger Agreement that the transactions contemplated by this Agreement will be consummated in conjunction with the closing of the Merger, and ULHI will rely on such representation in entering into the Merger Agreement;

WHEREAS, Seller desires to sell and transfer the Shares to Buyer, on the terms and subject to the conditions specified in this Agreement; and

NOW, THEREFORE, in consideration of the premises and the covenants, promises and agreements herein set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending legally to be bound, agree as follows:

I. ASSIGNMENT AND ASSUMPTION OF SELLER'S ASSETS AND LIABILITIES.

Subject to the terms and conditions provided below:

1.1 *Assignment of Pre Closing Assets.* Seller hereby contributes, assigns, conveys and transfers to Split-Off Subsidiary, and Split-Off Subsidiary hereby receives, acquires and accepts, all assets and properties of Seller immediately prior to the Closing, including but not limited to the following:

(a) all accounts receivable;

(b) all inventories of raw materials, work in process, parts, supplies and finished products;

(c) all of Seller's rights, title and interests in, to and under all contracts, agreements, leases, licenses (including software licenses), supply agreements, consulting agreements, commitments, purchase orders, customer orders and work orders, and including all of Seller's rights thereunder to use and possess equipment provided by third parties, and all representations, warranties, covenants and guarantees related to the foregoing (provided that to the extent any of the foregoing or any claim or right or benefit arising thereunder or resulting therefrom is not assignable by its terms, or the assignment thereof shall require the consent or approval of another party thereto, this Agreement shall not constitute an assignment thereof if an attempted assignment would be in violation of the terms thereof or if such consent is not obtained prior to the Closing, and in lieu thereof Seller shall reasonably cooperate with Split-Off Subsidiary in any reasonable arrangement designed to provide Split-Off Subsidiary the benefits thereunder or any claim or right arising thereunder);

(d) all intellectual property, including but not limited to issued patents, patent applications (whether or not patents are issued thereon and whether modified, withdrawn or resubmitted), unpatented inventions, product designs, copyrights (whether registered or unregistered), know-how, technology, trade secrets, technical information, notebooks, drawings, software, computer coding (both object and source) and all documentation, manuals and drawings related thereto, trademarks or service marks and applications therefor, unregistered trademarks or service marks, trade names, logos and icons and all rights to sue or recover for the infringement or misappropriation thereof, but excluding any intellectual property related to the name of Seller;

(e) all fixed assets, including but not limited to the machinery, equipment, furniture, vehicles, office equipment and other tangible personal property owned or leased by Seller;

(f) all customer lists, business records, customer records and files, customer financial records, and all other files and information related to customers, all customer proposals, all open service agreements with customers and all uncompleted customer contracts and agreements, but excluding all business, tax, corporate and other records identified in Section 3.4 below;

(g) to the extent legally assignable, all licenses, permits, certificates, approvals and authorizations issued by Governmental Entities and necessary to own, lease or operate the assets and properties of Seller and to conduct Seller's business as it is presently conducted; and

(h) all real property or interests therein.

all of the foregoing being referred to herein as the "Assigned Assets."

1.2 *Assignment of Post Closing Assets:* $30,000 in cash

1.3 *Assignment and Assumption of Liabilities*. Seller hereby assigns to Split-Off Subsidiary, and Split-Off Subsidiary hereby assumes and agrees to pay, honor and discharge all debts, adverse claims, liabilities, judgments and obligations of Seller as of the Closing, whether accrued, contingent or otherwise and whether known or unknown, including, without limitation, approximately $797,000 in liabilities inclusive of related party loans, accrued expenses and prepaid advances, and including those arising under any law (including the common law) or any rule or regulation of any Governmental Entity or imposed by any court or any arbitrator in a binding arbitration resulting from, arising out of or relating to the assets, activities, operations, actions or omissions of Seller, or products manufactured or sold thereby or services provided thereby, or under contracts, agreements (whether written or oral), leases, commitments or undertakings thereof, but excluding in all cases the obligations of Seller under the Transaction Documentation, with all of the foregoing being referred to herein as the "Assigned Liabilities". Notwithstanding the foregoing, $18,593 of Pre Closing liabilities, consisting of $15,013 for Audit related fees and $3,580 in transfer agent payables will be retained by the Company.

The assignment and assumption of Seller's assets and liabilities provided for in this Article I is referred to as the "Assignment."

II. PURCHASE AND SALE OF STOCK.

2.1 *Purchased Shares*. Subject to the terms and conditions provided below, Seller shall sell and transfer to Buyer and Buyer shall purchase from Seller, on the Closing Date (as defined in Section 3.1), all of the issued and outstanding shares of capital stock of Split-Off Subsidiary (the "Shares").

2.2 *Purchase Price*. The purchase price for the Shares shall be the transfer and delivery by Buyer to Seller of the type and number of shares of common stock and preferred stock of Seller that Buyer owns (the "Purchase Price Securities"), as set forth in Exhibit A attached hereto, deliverable as provided in Section 3.3.

III. CLOSING.

3.1 *Closing*. The closing of the transactions contemplated in this Agreement (the "Closing") shall take place in conjunction with the closing of the Merger. The date on which the Closing occurs shall be referred to herein as the "Closing Date."

3.2 *Transfer of Shares*. At the Closing, Seller shall deliver to Buyer certificates representing the Shares purchased by Buyer, duly endorsed to Buyer or as directed by Buyer with signatures guaranteed by a member of the "Medallion" program, which delivery shall vest Buyer with good and marketable title to such Shares, free and clear of all liens and encumbrances.

3.3 *Payment of Purchase Price*. At the Closing, Buyer shall deliver to Seller a certificate or certificates representing Buyer's Purchase Price Securities duly endorsed to Seller, which delivery shall vest Seller with good and marketable title to the Purchase Price Securities, free and clear of all liens and encumbrances.Following such receipt, the Purchase Price Securities shall be cancelled.

3.4 *Transfer of Records*. On or before the Closing, Seller shall transfer to Split-Off Subsidiary all existing corporate books and records in Seller's possession relating to the assets and liabilities being assigned by Seller to Split-Off Subsidiary, pursuant to this Agreement, including but not limited to all agreements, litigation files, real estate files, personnel files and filings with governmental agencies; *provided*, *however*, when any such documents relate to both Seller and Split-Off Subsidiary, only copies of such documents need be furnished. On or before the Closing, Buyer and Split-Off Subsidiary shall transfer to Seller all existing corporate books and records in the possession of Buyer or Split-Off Subsidiary relating to Seller, including but not limited to all corporate minute books, stock ledgers, certificates and corporate seals of Seller, correspondence with Seller's stockholders and all agreements, litigation files, tax returns and tax files, real property files, personnel files and filings and correspondence with governmental agencies (including but not limited to the SEC), except for any of the foregoing which relate to the assets and liabilities being assigned to Split-Off Subsidiary, pursuant to this Agreement; *provided*, *however*, when any such documents relate to both Seller and Split-Off Subsidiary or its business, only copies of such documents need be furnished.

3.5 *Instruments of Assignment*. At the Closing, Seller and Split-Off Subsidiary shall deliver to each other such instruments providing for the Assignment as the other may reasonably request (the "Instruments of Assignment").

IV. BUYER'S REPRESENTATIONS AND WARRANTIES. Buyer represents and warrants that:

4.1 *Capacity and Enforceability*. Buyer has the legal capacity to execute and deliver this Agreement and the documents to be executed and delivered by Buyer at the Closing pursuant to the transactions contemplated hereby. This Agreement and all such documents constitute valid and binding agreements of Buyer, enforceable in accordance with their terms.

4.2 *Compliance*. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby by Buyer will result in the breach of any term or provision of, or constitute a default under, or violate any agreement, indenture, instrument, order, law or regulation to which Buyer is a party or by which Buyer is bound.

4.3 *Purchase for Investment*. Buyer is financially able to bear the economic risks of acquiring the Shares and the other transactions contemplated hereby, and has no need for liquidity in his investment in the Shares. Buyer has such knowledge and experience in financial and business matters in general, and with respect to businesses of a nature similar to the business of Split-Off Subsidiary (after giving effect to the Assignment), so as to be capable of evaluating the merits and risks of, and making an informed business decision with regard to, the acquisition of the Shares and the other transactions contemplated hereby. Buyer is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act. Buyer is acquiring the Shares solely for his own account and not with a view to or for resale in connection with any distribution or public offering thereof, within the meaning of any applicable securities laws and regulations, unless such distribution or offering is registered under the Securities Act of 1933, as amended (the "Securities Act"), or an exemption from such registration is available. Buyer has (i) received all the information he has deemed necessary to make an informed decision with respect to the acquisition of the Shares and the other transactions contemplated hereby; (ii) had an opportunity to make such investigation as he has desired pertaining to Split-Off Subsidiary (after giving effect to the Assignment) and the acquisition of an interest therein and the other transactions contemplated hereby, and to verify the information which is, and has been, made available to him; and (iii) had the opportunity to ask questions of Seller concerning Split-Off Subsidiary (after giving effect to the Assignment). Buyer acknowledges that due to his former affiliation with Seller, that he has actual knowledge of the business, operations and financial affairs of Split-Off Subsidiary (after giving effect to the Assignment). Buyer has received no public solicitation or advertisement with respect to the offer or sale of the Shares. Buyer realizes that the Shares are "restricted securities" as that term is defined in Rule 144 promulgated by the Securities and Exchange Commission under the Securities Act, the resale of the Shares is restricted by federal and state securities laws and, accordingly, the Shares must be held indefinitely unless their resale is subsequently registered under the Securities Act or an exemption from such registration is available for their resale. Buyer understands that any resale of the Shares by him must be registered under the Securities Act (and any applicable state securities law) or be effected in circumstances that, in the opinion of counsel for Split-Off Subsidiary at the time, create an exemption or otherwise do not require registration under the Securities Act (or applicable state securities laws). Buyer acknowledges and consents that certificates now or hereafter issued for the Shares will bear a legend substantially as follows:

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR QUALIFIED UNDER ANY APPLICABLE STATE SECURITIES LAWS (THE "STATE ACTS"), HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO A REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND QUALIFICATION UNDER THE STATE ACTS OR PURSUANT TO EXEMPTIONS FROM SUCH REGISTRATION OR QUALIFICATION REQUIREMENTS (INCLUDING, IN THE CASE OF THE SECURITIES ACT, THE EXEMPTIONS AFFORDED BY SECTION 4(1) OF THE SECURITIES ACT AND RULE 144 THEREUNDER). AS A PRECONDITION TO ANY SUCH TRANSFER, THE ISSUER OF THESE SECURITIES SHALL BE FURNISHED WITH AN OPINION OF COUNSEL OPINING AS TO THE AVAILABILITY OF EXEMPTIONS FROM SUCH REGISTRATION AND QUALIFICATION AND/OR SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY THERETO THAT ANY SUCH TRANSFER WILL NOT VIOLATE THE SECURITIES LAWS.

Buyer understands that the Shares are being sold to him pursuant to the exemption from registration contained in Section 4(a)(1) of the Securities Act and that Seller is relying upon the representations made herein as one of the bases for claiming the Section 4(a)(1) exemption.

4.4 *Liabilities*. Following the Closing, Seller will have no liability for any debts, liabilities or obligations of Split-Off Subsidiary or its business or activities, and there are no outstanding guaranties, performance or payment bonds, letters of credit or other contingent contractual obligations that have been undertaken by Seller directly or indirectly in relation to Split-Off Subsidiary or its business and that may survive the Closing.

4.5 *Title to Purchase Price Securities*. Buyer is the sole record and beneficial owner of the Purchase Price Securities. At Closing, Buyer will have good and marketable title to the Purchase Price Securities, which Purchase Price Securities are, and at the Closing will be, free and clear of all options, warrants, pledges, claims, liens and encumbrances, and any restrictions or limitations prohibiting or restricting transfer to Seller, except for restrictions on transfer as contemplated by applicable securities laws.

V. SELLER'S AND SPLIT-OFF SUBSIDIARY'S REPRESENTATIONS AND WARRANTIES. Seller and Split-Off Subsidiary, jointly and severally, represent and warrant to Buyer that:

5.1 *Organization and Good Standing*. Each of Seller and Split-Off Subsidiary is a corporation duly incorporated, validly existing, and in good standing under the laws of their respective states of incorporation.

5.2 *Authority and Enforceability*. The execution and delivery of this Agreement and the documents to be executed and delivered at the Closing pursuant to the transactions contemplated hereby, and performance in accordance with the terms hereof and thereof, have been duly authorized by Seller and all such documents constitute valid and binding agreements of Seller enforceable in accordance with their terms.

5.3 *Title to Shares*. Seller is the sole record and beneficial owner of the Shares. At Closing, Seller will have good and marketable title to the Shares, which Shares are, and at the Closing will be, free and clear of all options, warrants, pledges, claims, liens and encumbrances, and any restrictions or limitations prohibiting or restricting transfer to Buyer, except for restrictions on transfer as contemplated by Section 4.3 above. The Shares constitute all of the issued and outstanding shares of capital stock of Split-Off Subsidiary.

5.4 *WARN Act*. Split-Off Subsidiary does not have a sufficient number of employees to make it subject to the Worker Adjustment and Retraining Notification Act.

5.5 *Representations in Merger Agreement*. Split-Off Subsidiary represents and warrants that all of the representations and warranties by Seller, insofar as they relate to Split-Off Subsidiary, contained in the Merger Agreement are true and correct.

VI. OBLIGATIONS OF BUYER PENDING CLOSING. Buyer covenants and agrees that between the date hereof and the Closing:

6.1 *Not Impair Performance*. Buyer shall not take any intentional action that would cause the conditions upon the obligations of the parties hereto to effect the transactions contemplated hereby not to be fulfilled, including, without limitation, taking or causing to be taken any action that would cause the representations and warranties made by any party herein not to be true, correct and accurate as of the Closing, or in any way impairing the ability of Seller to satisfy its obligations as provided in Article VII.

6.2 *Assist Performance*. Buyer shall exercise his reasonable best efforts to cause to be fulfilled those conditions precedent to Seller's obligations to consummate the transactions contemplated hereby which are dependent upon actions of Buyer and to make and/or obtain any necessary filings and consents in order to consummate the sale transaction contemplated by this Agreement.

VII. OBLIGATIONS OF SELLER PENDING CLOSING. Seller covenants and agrees that between the date hereof and the Closing:

7.1 *Business as Usual*. Split-Off Subsidiary shall operate and Seller shall cause Split-Off Subsidiary to operate in accordance with past practices and shall use best efforts to preserve its goodwill and the goodwill of its employees, customers and others having business dealings with Split-Off Subsidiary. Without limiting the generality of the foregoing, from the date of this Agreement until the Closing Date, Split-Off Subsidiary shall preserve and maintain Split-Off Subsidiary's assets in their current operating condition and repair, ordinary wear and tear excepted. From the date of this Agreement until the Closing Date, Split-Off Subsidiary shall not (i) amend, terminate or surrender any material franchise, license, contract or real property interest, or (ii) sell or dispose of any of its assets except in the ordinary course of business. Neither Split-Off Subsidiary nor Buyer shall take or omit to take any action that results in Seller incurring any liability or obligation prior to or in connection with the Closing.

7.2 *Not Impair Performance*. Seller shall not take any intentional action that would cause the conditions upon the obligations of the parties hereto to effect the transactions contemplated hereby not to be fulfilled, including, without limitation, taking or causing to be taken any action which would cause the representations and warranties made by any party herein not to be materially true, correct and accurate as of the Closing, or in any way impairing the ability of Buyer to satisfy his obligations as provided in Article VI.

7.3 *Assist Performance*. Seller shall exercise its reasonable best efforts to cause to be fulfilled those conditions precedent to Buyer's obligations to consummate the transactions contemplated hereby which are dependent upon the actions of Seller and to work with Buyer to make and/or obtain any necessary filings and consents. Seller shall cause Split-Off Subsidiary to comply with its obligations under this Agreement.

VIII. SELLER'S AND SPLIT-OFF SUBSIDIARY'S CONDITIONS PRECEDENT TO CLOSING. The obligations of Seller and Split-Off Subsidiary to close the transactions contemplated by this Agreement are subject to the satisfaction at or prior to the Closing of each of the following conditions precedent (any or all of which may be waived by Seller in writing):

8.1 *Representations and Warranties; Performance*. All representations and warranties of Buyer contained in this Agreement shall have been true and correct, in all material respects, when made and shall be true and correct, in all material respects, at and as of the Closing, with the same effect as though such representations and warranties were made at and as of the Closing. Buyer shall have performed and complied with all covenants and agreements and satisfied all conditions, in all material respects, required by this Agreement to be performed or complied with or satisfied by Buyer at or prior to the Closing.

8.2 *Additional Documents*. Buyer shall deliver or cause to be delivered such additional documents as may be necessary in connection with the consummation of the transactions contemplated by this Agreement and the performance of his obligations hereunder.

8.3 *Release by Split-Off Subsidiary*. At the Closing, Split-Off Subsidiary shall execute and deliver to Seller a general release which in substance and effect releases Seller and ULHI from any and all liabilities and obligations that Seller and ULHI may owe to Split-Off Subsidiary in any capacity, and from any and all claims that Split-Off Subsidiary may have against Seller, ULHI or their respective managers, members, officers, directors, stockholders, employees and agents (other than those arising pursuant to this Agreement or any document delivered in connection with this Agreement).

IX. BUYER'S CONDITIONS PRECEDENT TO CLOSING. The obligation of Buyer to close the transactions contemplated by this Agreement is subject to the satisfaction at or prior to the Closing of each of the following conditions precedent (any and all of which may be waived by Buyer in writing):

9.1 *Representations and Warranties; Performance*. All representations and warranties of Seller and Split-Off Subsidiary contained in this Agreement shall have been true and correct, in all material respects, when made and shall be true and correct, in all material respects, at and as of the Closing with the same effect as though such representations and warranties were made at and as of the Closing. Seller and Split-Off Subsidiary shall have performed and complied with all covenants and agreements and satisfied all conditions, in all material respects, required by this Agreement to be performed or complied with or satisfied by them at or prior to the Closing.

X. OTHER AGREEMENTS.

10.1 *Expenses*. Each party hereto shall bear its own expenses in connection with this Agreement and with the performance of its obligations hereunder.

10.2 *Confidentiality*. Buyer shall not make any public announcements concerning this transaction without the prior written agreement of ULHI, other than as may be required by applicable law or judicial process. If for any reason the transactions contemplated hereby are not consummated, then Buyer shall return any information received by Buyer from Seller or Split-Off Subsidiary, and Buyer shall cause all confidential information obtained by Buyer concerning Split-Off Subsidiary and its business to be treated as such.

10.3 *Brokers' Fees*. In connection with the transaction specifically contemplated by this Agreement, no party to this Agreement has employed the services of a broker and each agrees to indemnify the other against all claims of any third parties for fees and commissions of any brokers claiming a fee or commission related to the transactions contemplated hereby.

10.4 *Access to Information Post-Closing; Cooperation*.

(a) Following the Closing, Buyer and Split-Off Subsidiary shall afford to Seller and its authorized accountants, counsel and other designated representatives, reasonable access (and including using reasonable efforts to give access to persons or firms possessing information) and duplicating rights during normal business hours to allow records, books, contracts, instruments, computer data and other data and information (collectively, "Information") within the possession or control of Buyer or Split-Off Subsidiary insofar as such access is reasonably required by Seller. Information may be requested under this Section 10.4(a) for, without limitation, audit, accounting, claims, litigation and tax purposes, as well as for purposes of fulfilling disclosure and reporting obligations and performing this Agreement and the transactions contemplated hereby. No files, books or records of Split-Off Subsidiary existing at the Closing Date shall be destroyed by Buyer or Split-Off Subsidiary after Closing but prior to the expiration of any period during which such files, books or records are required to be maintained and preserved by applicable law without giving Seller at least 30 days' prior written notice, during which time Seller shall have the right to examine and to remove any such files, books and records prior to their destruction.

(b) Following the Closing, Seller shall afford to Split-Off Subsidiary and its authorized accountants, counsel and other designated representatives reasonable access (including using reasonable efforts to give access to persons or firms possessing information) duplicating rights during normal business hours to Information within Seller's possession or control relating to the business of Split-Off Subsidiary. Information may be requested under this Section 10.4(b) for, without limitation, audit, accounting, claims, litigation and tax purposes as well as for purposes of fulfilling disclosure and reporting obligations and for performing this Agreement and the transactions contemplated hereby. No files, books or records of Split-Off Subsidiary existing at the Closing Date shall be destroyed by Seller after Closing but prior to the expiration of any period during which such files, books or records are required to be maintained and preserved by applicable law without giving Buyer at least 30 days prior written notice, during which time Buyer shall have the right to examine and to remove any such files, books and records prior to their destruction.

(c) At all times following the Closing, Seller, Buyer and Split-Off Subsidiary shall use their reasonable efforts to make available to the other party on written request, the current and former officers, directors, employees and agents of Seller or Split-Off Subsidiary for any of the purposes set forth in Section 10.4(a) or (b) above or as witnesses to the extent that such persons may reasonably be required in connection with any legal, administrative or other proceedings in which Seller or Split-Off Subsidiary may from time to time be involved.

(d) The party to whom any Information or witnesses are provided under this Section 10.4 shall reimburse the provider thereof for all out-of-pocket expenses actually and reasonably incurred in providing such Information or witnesses.

(e) Seller, Buyer, Split-Off Subsidiary and their respective employees and agents shall each hold in strict confidence all Information concerning the other party in their possession or furnished by the other or the other's representative pursuant to this Agreement with the same degree of care as such party utilizes as to such party's own confidential information (except to the extent that such Information is (i) in the public domain through no fault of such party or (ii) later lawfully acquired from any other source by such party), and each party shall not release or disclose such Information to any other person, except such party's auditors, attorneys, financial advisors, bankers, other consultants and advisors or persons with whom such party has a valid obligation to disclose such Information, unless compelled to disclose such Information by judicial or administrative process or, as advised by its counsel, by other requirements of law.

(f) Seller, Buyer and Split-Off Subsidiary shall each use their best efforts to forward promptly to the other party all notices, claims, correspondence and other materials which are received and determined to pertain to the other party.

10.5 *Guarantees, Surety Bonds and Letter of Credit Obligations*. In the event that Seller is obligated for any debts, obligations or liabilities of Split-Off Subsidiary by virtue of any outstanding guarantee, performance or surety bond or letter of credit provided or arranged by Seller on or prior to the Closing Date, Buyer and Split-Off Subsidiary shall use their best efforts to cause to be issued replacements of such bonds, letters of credit and guarantees and to obtain any amendments, novations, releases and approvals necessary to release and discharge fully Seller from any liability thereunder following the Closing. Buyer and Split-Off Subsidiary, jointly and severally, shall be responsible for, and shall indemnify, hold harmless and defend Seller from and against, any costs or losses incurred by Seller arising from such bonds, letters of credits and guarantees and any liabilities arising therefrom and shall reimburse Seller for any payments that Seller may be required to pay pursuant to enforcement of its obligations relating to such bonds, letters of credit and guarantees.

10.6 *Filings and Consents*. Buyer, at his risk, shall determine what, if any, filings and consents must be made and/or obtained prior to Closing to consummate the purchase and sale of the Shares. Buyer shall indemnify the Seller Indemnified Parties (as defined in Section 12.1 below) against any Losses (as defined in Section 12.1 below) incurred by such Seller Indemnified Parties by virtue of the failure to make and/or obtain any such filings or consents. Recognizing that the failure to make and/or obtain any filings or consents may cause Seller to incur Losses or otherwise adversely affect Seller, Buyer and Split-Off Subsidiary confirm that the provisions of this Section 10.6 will not limit Seller's right to treat such failure as the failure of a condition precedent to Seller's obligation to close pursuant to Article VIII above.

10.7 *Insurance*. Buyer acknowledges that on the Closing Date, effective as of the Closing, any insurance coverage and bonds provided by Seller for Split-Off Subsidiary, and all certificates of insurance evidencing that Split-Off Subsidiary maintains any required insurance by virtue of insurance provided by Seller, will terminate with respect to any insured damages resulting from matters occurring subsequent to Closing.

10.8 *Agreements Regarding Taxes*.

(a) *Tax Sharing Agreements*. Any tax sharing agreement between Seller and Split-Off Subsidiary is terminated as of the Closing Date and will have no further effect for any taxable year (whether the current year, a future year or a past year).

(b) *Returns for Periods Through the Closing Date*. Seller will include the income and loss of Split-Off Subsidiary (including any deferred income triggered into income by Reg. §1.1502-13 and any excess loss accounts taken into income under Reg. §1.1502-19) on Seller's consolidated federal income tax returns for all periods through the Closing Date and pay any federal income taxes attributable to such income. Seller and Split-Off Subsidiary agree to allocate income, gain, loss, deductions and credits between the period up to Closing (the "Pre-Closing Period") and the period after Closing (the "Post-Closing Period") based on a closing of the books of Split-Off Subsidiary, and both Seller and Split-Off Subsidiary agree not to make an election under Reg. §1.1502-76(b)(2)(ii) to ratably allocate the year's items of income, gain, loss, deduction and credit. Seller, Split-Off Subsidiary and Buyer agrees to report all transactions not in the ordinary course of business occurring on the Closing Date after Buyer's purchase of the Shares on Split-Off Subsidiary's tax returns to the extent permitted by Reg. §1.1502-76(b)(1)(ii)(B). Buyer agrees to indemnify Seller for any additional tax owed by Seller (including tax owned by Seller due to this indemnification payment) resulting from any transaction engaged in by Split-Off Subsidiary during the Pre-Closing Period or on the Closing Date after Buyer's purchase of the Shares. Split-Off Subsidiary will furnish tax information to Seller for inclusion in Seller's consolidated federal income tax return for the period which includes the Closing Date in accordance with Split-Off Subsidiary's past custom and practice.

(c) *Audits*. Seller will allow Split-Off Subsidiary and its counsel to participate at Split-Off Subsidiary's expense in any audits of Seller's consolidated federal income tax returns to the extent that such audit raises issues that relate to and increase the tax liability of Split-Off Subsidiary. Seller shall have the absolute right, in its sole discretion, to engage professionals and direct the representation of Seller in connection with any such audit and the resolution thereof, without receiving the consent of Buyer or Split-Off Subsidiary or any other party acting on behalf of Buyer or Split-Off Subsidiary, provided that Seller will not settle any such audit in a manner which would materially adversely affect Split-Off Subsidiary after the Closing Date unless such settlement would be reasonable in the case of a person that owned Split-Off Subsidiary both before and after the Closing Date, or unless the Split-Off Subsidiary consents, such consent not to be unreasonably withheld. In the event that after Closing any tax authority informs Buyer or Split-Off Subsidiary of any notice of proposed audit, claim, assessment or other dispute concerning an amount of taxes which pertain to Seller, or to Split-Off Subsidiary during the period prior to Closing, Buyer or Split-Off Subsidiary must promptly notify Seller of the same within 15 calendar days of the date of the notice from the tax authority. In the event Buyer or Split-Off Subsidiary does not notify Seller within such 15 day period, Buyer and Split-Off Subsidiary, jointly and severally, will indemnify Seller for any incremental interest, penalty or other assessments resulting from the delay in giving notice. To the extent of any conflict or inconsistency, the provisions of this Section 10.8 shall control over the provisions of Section 12.2 below.

(d) *Cooperation on Tax Matters*. Buyer, Seller and Split-Off Subsidiary shall cooperate fully, as and to the extent reasonably requested by any party, in connection with the filing of tax returns pursuant to this Section and any audit, litigation or other proceeding with respect to taxes. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Split-Off Subsidiary shall (i) retain all books and records with respect to tax matters pertinent to Split-Off Subsidiary relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by Seller, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority, and (ii) give Seller reasonable written notice prior to transferring, destroying or discarding any such books and records and, if Seller so requests, Buyer agrees to cause Split-Off Subsidiary to allow Seller to take possession of such books and records.

10.9 *ERISA*. Effective as of the Closing Date, Split-Off Subsidiary shall terminate its participation in, and withdraw from, any employee benefit plans sponsored by Seller, and Seller and Buyer shall cooperate fully in such termination and withdrawal. Without limitation, Split-Off Subsidiary shall be solely responsible for (i) all liabilities under those employee benefit plans notwithstanding any status as an employee benefit plan sponsored by Seller, and (ii) all liabilities for the payment of vacation pay, severance benefits, and similar obligations, including, without limitation, amounts which are accrued but unpaid as of the Closing Date with respect thereto. Buyer and Split-Off Subsidiary acknowledge that Split-Off Subsidiary is solely responsible for providing continuation health coverage, as required under the Consolidated Omnibus Reconciliation Act of 1985, as amended ("COBRA"), to each person, if any, participating in an employee benefit plan subject to COBRA with respect to such employee benefit plan as of the Closing Date, including, without limitation, any person whose employment with Split-Off Subsidiary is terminated after the Closing Date.

XI. TERMINATION. This Agreement may be terminated at, or at any time prior to, the Closing by mutual written consent of Seller and Buyer.

If this Agreement is terminated as provided herein, it shall become wholly void and of no further force and effect and there shall be no further liability or obligation on the part of any party except to pay such expenses as are required of such party.

XII. INDEMNIFICATION.

12.1 *Indemnification by Buyer*. Buyer covenants and agrees to indemnify, defend, protect and hold harmless Seller and ULHI, and their respective officers, directors, employees, stockholders, agents, representatives and Affiliates (collectively, the "Seller Indemnified Parties") at all times from and after the date of this Agreement from and against all losses, liabilities, damages, claims, actions, suits, proceedings, demands, assessments, adjustments, costs and expenses (including specifically, but without limitation, reasonable attorneys' fees and expenses of investigation), whether or not involving a third party claim and regardless of any negligence of any Seller Indemnified Party (collectively, "Losses"), incurred by any Seller Indemnified Party as a result of or arising from (i) any breach of the representations and warranties of Buyer set forth herein or in certificates delivered in connection herewith, (ii) any breach or nonfulfillment of any covenant or agreement (including any other agreement of Buyer to indemnify set forth in this Agreement) on the part of Buyer under this Agreement, (iii) any Assigned Asset or Assigned Liability or any other debt, liability or obligation of Split-Off Subsidiary, (iv) the conduct and operations, whether before or after Closing, of (A) the business of Seller pertaining to the Assigned Assets and Assigned Liabilities or (B) the business of Split-Off Subsidiary, (v) claims asserted, whether before or after Closing, (A) against Split-Off Subsidiary or (B) pertaining to the Assigned Assets and Assigned Liabilities, or (vi) any federal or state income tax payable by Seller or ULHI and attributable to the transactions contemplated by this Agreement. The obligations of Buyer under this Section, as between Buyer and the Seller Indemnified Parties, are joint and several.

12.2 *Third Party Claims*.

(a) *Defense*. If any claim or liability (a "Third-Party Claim") should be asserted against any of the Seller Indemnified Parties (the "Indemnitee") by a third party after the Closing for which Buyer has an indemnification obligation under the terms of Section 12.1, then the Indemnitee shall notify Buyer (the "Indemnitors") within 20 days after the Third-Party Claim is asserted by a third party (said notification being referred to as a "Claim Notice") and give the Indemnitor a reasonable opportunity to take part in any examination of the books and records of the Indemnitee relating to such Third-Party Claim and to assume the defense of such Third-Party Claim in connection therewith and to conduct any proceedings or negotiations relating thereto and necessary or appropriate to defend the Indemnitee and/or settle the Third-Party Claim. The expenses (including reasonable attorneys' fees) of all negotiations, proceedings, contests, lawsuits or settlements with respect to any Third-Party Claim shall be borne by the Indemnitors. If the Indemnitors agree to assume the defense of any Third-Party Claim in writing within 20 days after the Claim Notice of such Third-Party Claim has been delivered, through counsel reasonably satisfactory to Indemnitee, then the Indemnitors shall be entitled to control the conduct of such defense, and any decision to settle such Third-Party Claim, and shall be responsible for any expenses of the Indemnitee in connection with the defense of such Third-Party Claim so long as the Indemnitors continue such defense until the final resolution of such Third-Party Claim. The Indemnitors shall be responsible for paying all settlements made or judgments entered with respect to any Third-Party Claim the defense of which has been assumed by the Indemnitors. Except as provided on subsection (b) below, both the Indemnitor and the Indemnitee must approve any settlement of a Third-Party Claim. A failure by the Indemnitee to timely give the Claim Notice shall not excuse Indemnitor from any indemnification liability except only to the extent that the Indemnitors are materially and adversely prejudiced by such failure.

(b) *Failure to Defend*. If the Indemnitors shall not agree to assume the defense of any Third-Party Claim in writing within 20 days after the Claim Notice of such Third-Party Claim has been delivered, or shall fail to continue such defense until the final resolution of such Third-Party Claim, then the Indemnitee may defend against such Third-Party Claim in such manner as it may deem appropriate and the Indemnitee may settle such Third-Party Claim, in its sole discretion, on such terms as it may deem appropriate. The Indemnitors shall promptly reimburse the Indemnitee for the amount of all settlement payments and expenses, legal and otherwise, incurred by the Indemnitee in connection with the defense or settlement of such Third-Party Claim. If no settlement of such Third-Party Claim is made, then the Indemnitors shall satisfy any judgment rendered with respect to such Third-Party Claim before the Indemnitee is required to do so, and pay all expenses, legal or otherwise, incurred by the Indemnitee in the defense against such Third-Party Claim.

12.3 *Non-Third-Party Claims*. Upon discovery of any claim for which Buyer has an indemnification obligation under the terms of Section 12.1 which does not involve a claim by a third party against the Indemnitee, the Indemnitee shall give prompt notice to Buyer of such claim and, in any case, shall give Buyer such notice within 30 days of such discovery. A failure by Indemnitee to timely give the foregoing notice to Buyer shall not excuse Buyer from any indemnification liability except to the extent that Buyer is materially and adversely prejudiced by such failure.

12.4 *Survival*. Except as otherwise provided in this Section 12.4, all representations and warranties made by Buyer, Split-Off Subsidiary and Seller in connection with this Agreement shall survive the Closing. Anything in this Agreement to the contrary notwithstanding, the liability of all Indemnitors under this Article XII shall terminate on the third (3rd) anniversary of the Closing Date, except with respect to (a) liability for any item as to which, prior to the third (3rd) anniversary of the Closing Date, any Indemnitee shall have asserted a Claim in writing, which Claim shall identify its basis with reasonable specificity, in which case the liability for such Claim shall continue until it shall have been finally settled, decided or adjudicated, (b) liability of any party for Losses for which such party has an indemnification obligation, incurred as a result of such party's breach of any covenant or agreement to be performed by such party after the Closing, (c) liability of Buyer for Losses incurred by a Seller Indemnified Party due to breaches of their representations and warranties in Article IV of this Agreement, and (d) liability of Buyer for Losses arising out of Third-Party Claims for which Buyer has an indemnification obligation, which liability shall survive until the statute of limitation applicable to any third party's right to assert a Third-Party Claim bars assertion of such claim.

XIII. MISCELLANEOUS.

13.1 *Definitions*. Capitalized terms used herein without definition have the meanings ascribed to them in the Merger Agreement.

13.2 *Notices*. All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly delivered four business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, one business day after it is sent for next business day delivery via a reputable nationwide overnight courier service and on the day of delivery in the case of personal delivery or delivery by email or facsimile(subject to proof of receipt), in each case to the intended recipient as set forth below:

If to the Seller:	Copy to (which copy shall not constitute notice hereunder):
Unique Logistics Holdings, Inc. (Insert address)	Lucosky Brookman LLP 101 Wood Avenue South, 5th FL Iselin, NJ 08807
Attn: Sunandan Ray, CEO Facsimile: Email:	Attn: Lawrence Metelitsa, Esq. Facsimile: 732-395-4401 Email:lmetelitsa@lucbro.com
If to Buyer or Split-Off Subsidiary, addressed to:	With a copy to (which shall not constitute notice hereunder):
Paul Tidwell (Insert address)	
	Attention: Facsimile: Email:

or to such other address as any party hereto shall specify pursuant to this Section 13.2 from time to time.

13.3 *Exercise of Rights and Remedies*. Except as otherwise provided herein, no delay of or omission in the exercise of any right, power or remedy accruing to any party as a result of any breach or default by any other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of or acquiescence in any such breach or default, or of any similar breach or default occurring later; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default occurring before or after that waiver.

13.4 *Time*. Time is of the essence with respect to this Agreement.

13.5 *Reformation and Severability*. In case any provision of this Agreement shall be invalid, illegal or unenforceable, it shall, to the extent possible, be modified in such manner as to be valid, legal and enforceable but so as to most nearly retain the intent of the parties, and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

13.6 *Further Acts and Assurances*. From and after the Closing, Seller, Buyer and Split-Off Subsidiary agree that each will act in a manner supporting compliance, including compliance by its Affiliates, with all of its obligations under this Agreement and, from time to time, shall, at the request of another party hereto, and without further consideration, cause the execution and delivery of such other instruments of conveyance, transfer, assignment or assumption and take such other action or execute such other documents as such party may reasonably request in order more effectively to convey, transfer to and vest in Buyer, and to put Split-Off Subsidiary in possession of, all Assigned Assets and Assigned Liabilities, and to convey, transfer to and vest in Seller and Buyer, and to put them in possession of, the Purchase Price Securities and the Shares (respectively), and, in the case of any contracts and rights that cannot be effectively transferred without the consent or approval of other Persons that is unobtainable, to use its best reasonable efforts to ensure that Split-Off Subsidiary receives the benefits thereof to the maximum extent permissible in accordance with applicable law or other applicable restrictions, and shall perform such other acts which may be reasonably necessary to effectuate the purposes of this Agreement.

13.7 *Entire Agreement; Amendments*. This Agreement contains the entire understanding of the parties relating to the subject matter contained herein. This Agreement cannot be amended or changed except through a written instrument signed by all of the parties hereto and by ULHI. No provisions of this Agreement or any rights hereunder may be waived by any party without the prior written consent of ULHI.

13.8 *Assignment*. No party may assign his, her or its rights or obligations hereunder, in whole or in part, without the prior written consent of the other parties.

13.9 *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to principles of conflicts or choice of laws thereof.

13.10 *Counterparts*. This Agreement may be executed in one or more counterparts, with the same effect as if all parties had signed the same document. Each such counterpart shall be an original, but all such counterparts taken together shall constitute a single agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature page was an original thereof.

13.11 *Section Headings and Gender*. The Section headings used herein are inserted for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. All personal pronouns used in this Agreement shall include the other genders, whether used in the masculine, feminine or neuter, and the singular shall include the plural, and *vice versa*, whenever and as often as may be appropriate.

13.12 *Third-Party Beneficiary*. Each of Seller, Buyer and Split-Off Subsidiary acknowledges and agrees that this Agreement is entered into for the express benefit of ULHI, and that ULHI is relying hereon and on the consummation of the transactions contemplated by this Agreement in entering into and performing its obligations under the Merger Agreement, and that ULHI shall be in all respects entitled to the benefit hereof and to enforce this Agreement as a result of any breach hereof.

13.13 *Specific Performance; Remedies*. Each of Seller, Buyer and Split-Off Subsidiary acknowledge and agree that ULHI would be damaged irreparably if any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached. Accordingly, each of Seller, Buyer and Split-Off Subsidiary agrees that ULHI will be entitled to seek an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and its terms and provisions in any action instituted in any court of the United States or any state thereof having jurisdiction over the parties and the matter, subject to Section 13.9, in addition to any other remedy to which ULHI be entitled, at law or in equity. Except as expressly provided herein, the rights, obligations and remedies created by this Agreement are cumulative and are in addition to any other rights, obligations or remedies otherwise available at law or in equity, and nothing herein will be considered an election of remedies.

13.14 *Submission to Jurisdiction; Process Agent; No Jury Trial*.

(a) Each party to the Agreement hereby submits to the jurisdiction of any state or federal court sitting in the State of New York in any action arising out of or relating to this Agreement and agrees that all claims in respect of the action may be heard and determined in any such court. Each party to the Agreement also agrees not to bring any action arising out of or relating to this Agreement in any other court. Each party to the Agreement agrees that a final judgment in any action so brought will be conclusive and may be enforced by action on the judgment or in any other manner provided at law or in equity. Each party to the Agreement waives any defense of inconvenient forum to the maintenance of any action so brought and waives any bond, surety or other security that might be required of any other party with respect thereto.

(b) EACH PARTY TO THIS AGREEMENT HEREBY AGREES TO WAIVE ITS RIGHTS TO JURY TRIAL OF ANY DISPUTE BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OTHER AGREEMENTS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT OR ANY DEALINGS AMONG THEM RELATING TO THE TRANSACTIONS CONTEMPLATED HEREBY. The scope of this waiver is intended to be all encompassing of any and all actions that may be filed in any court and that relate to the subject matter of the transactions, including contract claims, tort claims, breach of duty claims and all other common law and statutory claims. Each party to the Agreement hereby acknowledges that this waiver is a material inducement to enter into a business relationship and that they will continue to rely on the waiver in their related future dealings. Each party to the Agreement further represents and warrants that it has reviewed this waiver with its legal counsel, and that each knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED ORALLY OR IN WRITING, AND THE WAIVER WILL APPLY TO ANY AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR TO ANY OTHER DOCUMENTS OR AGREEMENTS BETWEEN THE PARTIES RELATING HERETO. In the event of commencement of any action, this Agreement may be filed as a written consent to trial by a court.

13.15 *Construction*. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties hereto and no presumption or burden of proof will arise favoring or disfavoring any party because of the authorship of any provision of this Agreement. Any reference to any federal, state, local or foreign law will be deemed also to refer to law as amended and all rules and regulations promulgated thereunder, unless the context requires otherwise. The words “include,” “includes,” and “including” will be deemed to be followed by “without limitation.” The words “this Agreement,” “herein,” “hereof,” “hereby,” “hereunder,” and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. The parties hereto intend that each representation, warranty and covenant contained herein will have independent significance. If any party hereto has breached any representation, warranty or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) which that party has not breached will not detract from or mitigate the fact that such party is in breach of the first representation, warranty or covenant.

[Signature page follows this page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Split-Off Agreement as of the day and year first above written.

INNOCAP, INC.

By: _____
Name:
Title:

STAR EXPLORATION CORP.

By: _____
Name:
Title:

BUYER

_____
Paul Tidwell

EXHIBIT A

Buyer	Purchase Price Security	Number of Shares
Paul Tidwell	Common Stock	Shares

Preferred Stock 1,000,000 Shares