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: May 25, 2017
(Date of earliest event reported)

Asure Software, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**0-20008**	**74-2415696**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)
110 Wild Basin Rd., Suite 100, Austin, TX		**78746**
(Address of principal executive offices)		(Zip Code)

512-437-2700
(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, if changed since last report)

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

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

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

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

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

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

Item 1.01 Entry into a Material Definitive Agreement

Equity Purchase Agreement

On May 25, 2017, we entered into an equity purchase agreement (the "Equity Purchase Agreement") with iSystems Holdings, LLC, a Delaware limited liability company ("Seller"), and iSystems Intermediate Holdco, Inc., a Delaware corporation ("iSystems"), pursuant to which we acquired 100% of the outstanding equity interests of iSystems for an aggregate purchase price of $55,000,000, subject to adjustment as provided in the Equity Purchase Agreement. The aggregate purchase price consists of (i) $32,000,000 in cash, subject to adjustment, (ii) a secured subordinated promissory note ("iSystems Note") in the principal amount of $5,000,000, subject to adjustment, and (iii) 1,526,332 shares of unregistered common stock valued at $18,000,000 based on a volume-weighted average of the closing prices of our common stock during a 90-day period. The iSystems Note bears interest at an annual rate of 3.5% and matures on May 25, 2019. The unpaid principal and all accrued interest under the promissory note is payable in two installments of $2.5 million on May 25, 2018 and May 25, 2019, subject to adjustment. The Equity Purchase Agreement contains certain customary representations, warranties, indemnities and covenants.

To finance the iSystems acquisition, we amended and restated our existing credit agreement with Wells Fargo Bank, National Association, as administrative agent (the "Restated Credit Agreement") to add an additional term loan in the amount of approximately $40,000,000, of which we borrowed approximately $32,000,000 to complete the iSystems acquisition.

In connection with the iSystems acquisition, we also entered into an investor rights agreement (the "Investor Rights Agreement") with the Seller. Pursuant to the terms of the Investor Rights Agreement, until May 2018, the holders of the registrable securities received in connection with the acquisition have agreed not to directly or indirectly transfer, sell, make any short sale or otherwise dispose of any of our equity securities and not to vote any of our equity securities or solicit proxies other than in favor of each director that our board recommends for election, against any director that our board has not nominated for election, and in accordance with the recommendation of our board on any other matters, subject to certain exceptions. In addition, under the Investor Rights Agreement, holders of the registrable securities have demand registration rights which allow a registration statement to be filed on or about March 31, 2018 and piggyback registration rights which become effective in May 2018. In addition, under the terms of the Investor Rights Agreement, such holders have the right to nominate one director to our board of directors until the first date that the holders of the registrable securities no longer hold more than the lesser of (x) 5% of our outstanding common stock (as equitably adjusted for any stock splits, stock combinations, reorganizations, exchanges, merger, recapitalizations or similar transaction after the date hereof) and (y) 90% of the shares of our common stock held by such holders as of May 25, 2017. The director nominee initially appointed by the holders will be Daniel Gill and our board will appoint him to serve as a director on June 6, 2017. Mr. Gill is a founder and a co-managing partner of Silver Oak Services Partners, a private equity firm focused exclusively on business, healthcare and consumer services companies in the middle market. In 2014 Silver Oak acquired iSystems, LLC (currently, a wholly owned subsidiary of iSystems) and Mr. Gill served on the board of directors of iSystems, LLC.

The foregoing description of the Equity Purchase Agreement, the Investor Rights Agreement and iSystems Note does not purport to be complete and is qualified in its entirety by reference to the full text of the Equity Purchase Agreement, the Investor Rights Agreement and iSystems Note, copies of which are filed as Exhibits 10.1, 10.2 and 4.1, respectively, hereto and incorporated herein by reference.

Amended and Restated Credit Agreement

On May 25, 2017, we entered into an amended and restated credit agreement (the "Restated Credit Agreement") with Wells Fargo Bank, National Association, as administrative agent, and the lenders that are parties thereto, amending and restating the terms of the Credit Agreement dated as of March 20, 2014, as amended.

The Restated Credit Agreement provides for an increase in the aggregate principal amount of total commitments from approximately $32,714,000 to $75,000,000. This increase includes an additional term loan commitment of approximately $40,286,000 and an additional revolver commitment of $2,000,000.

The Restated Credit Agreement amends the applicable margin rates for determining the interest rate payable on outstanding loans as follows:

Leverage Ratio	First Out Base Rate Margin	First Out LIBOR Rate Margin	Last Out Base Rate Margin	Last Out LIBOR Rate Margin
≤ 3.25:1	2.00 Percentage Points	3.00 Percentage Points	7.00 Percentage Points	8.00 Percentage Points
> 3.25:1	2.50 Percentage Points	3.50 Percentage Points	7.50 Percentage Points	8.50 Percentage Points

The outstanding principal amount of the term loan is payable in equal installments of $875,000 beginning on September 30, 2017 and the last day of each fiscal quarter thereafter. The outstanding principal balance and all accrued and unpaid interest on the term loan is due on May 25, 2022.

The Restated Credit Agreement also:

- amends our leverage ratio covenant to increase the maximum ratio to 5.75:1 at June 30, 2017, stepping down to 3.25:1 at June 30, 2020 and each quarter-end thereafter;
- amends our fixed charge coverage ratio to be not less than 1.35:1 at June 30, 2017 and September 30, 2017, not less than 1.45:1 at December 31, 2017, and not less than 1.50:1 beginning with the quarter ending March 31, 2018 and each quarter-end thereafter; and
- adds a TTM recurring revenue covenant, requiring software-as-a-service, hardware-as-a-service and cloud subscription and maintenance support revenues to be at least $41,000,000 at June 30, 2017 and stepping up to $60,500,000 at June 30, 2022 and each quarter-end thereafter.

The foregoing description of the Restated Credit Agreement does not summarize or include all terms relating to the Restated Credit Agreement, and is qualified in its entirety by reference to the full text of the Restated Credit Agreement, which is filed as Exhibit 10.3 hereto and is incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets

The information set forth under "Equity Purchase Agreement" in Item 1.01 is incorporated herein by reference in its entirety.

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

The information set forth under "Amended and Restated Credit Agreement" in Item 1.01 is incorporated herein by reference in its entirety.

Item 3.02. Unregistered Sales of Equity Securities.

The information set forth under "Equity Purchase Agreement" in Item 1.01 is incorporated herein by reference in its entirety.

The issuance and sale of the shares of our common stock in connection with the iSystems acquisition are exempt from the registration requirements of the Securities Act of 1933 pursuant to Section 4(a)(2) thereof and Rule 506(b) of Regulation D thereunder.

Item 8.01. Other Events.

On May 25, 2017 we entered into a stock purchase agreement (the "Stock Purchase Agreement") with Compass HRM, Inc. ("Compass") and the sellers and seller representative named therein, pursuant to which the sellers sold 100% of the outstanding shares of capital stock of Compass to us for an aggregate purchase price of $6,000,000, subject to adjustment as provided in the Stock Purchase Agreement. The aggregate purchase price consists of $4,500,000 in cash and a subordinated promissory note ("Compass Note") in the principal amount of $1,500,000, subject to adjustment. The Compass Note bears interest at an annual rate of 2.0% and matures on May 25, 2022. The Compass Note is payable in five annual installments of $300,000 on the anniversary of the closing date, subject to adjustment. Compass is headquartered in Tampa, Florida, and provides cloud-based human resource management software, including payroll, benefits, time and attendance, and performance management.

To finance the Compass acquisition, we incurred approximately $4,500,000 of additional indebtedness pursuant to an additional term loan under our Restated Credit Agreement.

The foregoing description of the Stock Purchase Agreement and Compass Note does not purport to be complete and is qualified in its entirety by reference to the full text of the Stock Purchase Agreement and Compass Note, copies of which are filed as Exhibits 99.5 and 4.2, respectively, hereto and incorporated herein by reference.

On May 25, 2017, we issued a press release announcing the iSystems and Compass acquisitions, the Restated Credit Agreement and the commencement of a registered public offering of our common stock. A copy of the press release is filed as Exhibit 99.1 hereto.

Item 9.01. Financial Statements and Exhibits.

(a) **Financial Statements of Business Acquired**.

The audited consolidated financial statements of iSystems Holdings, LLC and Subsidiaries as of December 31, 2016 and 2015 and for the years then ended and the unaudited consolidated financial statements of iSystems Holdings, LLC and Subsidiaries as of March 31, 2017 and 2016 and for each of the three months then ended are filed as Exhibits 99.2 and 99.3, respectively, hereto and incorporated herein by reference.

(b) **Pro Forma Financial Information**.

Our unaudited pro forma condensed combined financial information of Asure Software, Inc., after giving effect to the iSystems acquisition and the borrowings under the Restated Credit Agreement, is filed as Exhibit 99.4 hereto and is incorporated herein by reference.

(d) Exhibits

Exhibit No.	Description
4.1	Secured Subordinated Promissory Note in the principal amount of $5,000,000 dated May 25 , 2017 from Asure Software, Inc. to iSystems Holdings, LLC.
4.2	Subordinated Promissory Note in the principal amount of $1,500,000 dated May 25, 2017 from Asure Software, Inc. to Jonathan Gibbons, as Sellers' Representative.
10.1	Equity Purchase Agreement, dated as of May 25, 2017, among Asure Software, Inc., iSystems Holdings, LLC and iSystems Intermediate Holdco, Inc.
10.2	Investor Rights Agreement dated as of May 25, 2017 by and between Asure Software, Inc., iSystems Holdings, LLC and each other Person who becomes a party thereto pursuant to Section 13(f) thereof.
10.3	Amended and Restated Credit Agreement, dated as of May 25, 2017, by and among the lenders identified on the signature pages thereof, Wells Fargo Bank, National Association, as administrative agent, and Asure Software, Inc.
23.1	Consent of RSM US LLP.
99.1	Press Release dated May 25, 2017.
99.2	Audited consolidated financial statements of iSystems Holdings, LLC and Subsidiaries as of and for the years ended December 31, 2016 and 2015.
99.3	Unaudited consolidated financial statements of iSystems Holdings, LLC and Subsidiaries as of and for the three months ended March 31, 2017 and March 31, 2016.
99.4	Unaudited pro forma condensed combined financial statements of Asure Software, Inc.
99.5	Stock Purchase Agreement, dated as of May 25, 2017 among Asure Software, Inc., Compass HRM, Inc., John F. Gibbons, Jonathan S. Gibbons, Joshua Gibbons, and Jonathan S. Gibbons as Seller Representative.

Cautionary Statement Regarding Forward-Looking Statements

This Report contains forward-looking statements that involve risks and uncertainties. These statements relate to future periods, future events or our future operating or financial performance. All statements other than statements of historical fact, including statements identified by words such as "may," "will," "could," "expect," "anticipate," "continue," "plan," "intend," "estimate," "project," "believe" and similar expressions or variations, are forward-looking statements. Forward-looking statements include but are not limited to statements regarding our strategy, future operations, financial condition, results of operations, projected costs, and plans and objectives of management. Actual results may differ materially from those contemplated by the forward-looking statements due to, among others, the risks and uncertainties described in our reports and filings with the Securities and Exchange Commission. We undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances that occur after the date on which the statement is made or to reflect the occurrence of unanticipated events.

SIGNATURE

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

ASURE SOFTWARE, INC.

Dated: May 26, 2017

By: /s/ Brad Wolfe
Brad Wolfe
Chief Financial Officer

EXHIBIT INDEX

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99.5	Stock Purchase Agreement, dated as of May 25, 2017 among Asure Software, Inc., Compass HRM, Inc., John F. Gibbons, Jonathan S. Gibbons, Joshua Gibbons, and Jonathan S. Gibbons as Seller Representative.

Exhibit 4.1

THIS NOTE AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THAT CERTAIN SUBORDINATION AGREEMENT (AS DEFINED BELOW) AND SUBJECT TO CERTAIN SET-OFF PROVISIONS SET FORTH HEREIN AND IN THAT CERTAIN PURCHASE AGREEMENT (AS DEFINED BELOW).

SECURED SUBORDINATED PROMISSORY NOTE

$5,000,000.00 May 25, 2017

FOR VALUE RECEIVED, the undersigned, ASURE SOFTWARE, INC., a Delaware corporation (the "**Maker**"), hereby promises to pay to the order of iSYSTEMS HOLDINGS, LLC, a Delaware limited liability company (the "**Holder**") the principal amount of Five Million and 00/100 Dollars ($5,000,000.00) (the "**Principal Amount**"), subject to adjustment as provided under this Secured Subordinated Promissory Note (the "**Note**"), together with interest on the unpaid principal balance accruing on a daily basis at an annual rate equal to 3.5%, under the terms set forth in this Subordinated Promissory Note.

This Note has been executed and delivered by the Maker pursuant to the terms of that certain Equity Purchase Agreement (the "**Purchase Agreement**"), dated as of May 25, 2017, by and among the Maker, the Holder and iSystems Intermediate Holdco, Inc.. This Note is the "Promissory Note" defined in Article I of the Purchase Agreement. Capitalized terms used but not otherwise defined in this Note shall have the meanings ascribed to such terms in the Purchase Agreement.

1. **Payment**. The Principal Amount of this Note shall be paid in two installments:

(a) the first payment in an amount equal to $2,500,000.00 (the "**First Installment**"), subject to Sections 5 and 6 below and the Subordination Agreement, shall be due and payable on May 25, 2018; and

(b) the second payment in an amount equal to $2,500,000.00 (the "**Second Installment**"), subject to Sections 5 and 6 below and the Subordination Agreement, shall be due and payable on May 25, 2019 (the "**Maturity Date**"). The First Installment and Second Installment are each also referred to in this Note as an "**Installment**").

All accrued and unpaid interest under this Note shall be due and payable on the Maturity Date. Subject to Sections 5 and 6 below, all amounts due under this Note shall be paid by wire transfer of immediately available funds to an account designated by Holder. If any such payment is due on a day that is not a Business Day, the payment will be due on the next succeeding Business Day, and the resulting extension of time will be taken into account in calculating the amount of interest payable under this Note.

2. **Optional Prepayments**. The Maker may prepay this Note prior to the Maturity Date, in whole or in part, without penalty or premium, at any time and from time to time. Prepayments shall be applied first to accrued but unpaid interest and then to principal.

3. **Subordination Agreement.** The indebtedness evidenced by this Note and related security is subordinated in right of payment pursuant to, and all rights of the Holder are subject to the terms of, that certain Subordination and Intercreditor Agreement (the "**Subordination Agreement**"), dated as of May 25, 2017, by and among the Maker, Holder and Wells Fargo Bank, National Association.

4. **Security**. The payment and performance of Maker's obligations under this Note are secured by a pledge of 1,000 shares of the common stock of iSystems Intermediate Holdco, Inc. as more fully provided under that certain Stock Pledge Agreement between Maker and Holder, also dated May 25, 2017 (the "**Pledge Agreement**").

5. **Default**. The occurrence of any of the following shall constitute a default under this Note (each an "**Event of Default**"):

(a) the Maker fails to make any required payment under this Note when due and such failure shall continue for fifteen (15) days after the date when such payment is due; provided, however, that neither of the following shall constitute an Event of Default:

(i) the withholding of any amount in good faith as security pursuant to the terms of Section 8.5(c) of the Purchase Agreement; or

(ii) the failure to pay the Second Installment under this Note in full when due to the extent (and only to the extent) that a Buyer Indemnitee has delivered notice of a claim for indemnification in good faith pursuant to Section 8.2 of the Purchase Agreement and such claim has not been finally resolved or agreed to on or before the Maturity Date, and the Maker otherwise pays all undisputed amounts due pursuant to the Second Installment under this Note; provided, however, that if the Holder covenants and agrees in writing (A) to hold an amount of cash equal to the amount alleged in good faith to be owed to such Buyer Indemnitee pursuant to such claim for indemnification and (B) that such cash will be available to satisfy such claim for indemnification if such claim is finally resolved or agreed to in favor of the Buyer Indemnitee, then the failure to pay the Second Installment under this Note in full when due shall constitute an Event of Default;

(b) the Maker, under the applicable laws of any jurisdiction: (i) is dissolved, liquidated, or wound up or otherwise ceases doing business; (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator, or similar official; (iv) makes a general assignment for the benefit of its creditors; or (v) institutes a proceeding, or has an involuntary proceeding instituted against it and such involuntary proceeding is not dismissed within sixty (60) days of such filing, seeking a judgment of insolvency, bankruptcy, or any other similar relief under any bankruptcy, insolvency, or other similar law affecting creditors' rights;

(c) The Maker is in breach of the Subordination Agreement or the Pledge Agreement and such breach continues for 15 days after written notice to the Maker; or

(d) There occurs a Change of Control (as such term is defined in the Senior Credit Agreement) of Maker, iSystems, LLC or evoPro Solutions, Inc. For this purpose, "**Senior Credit Agreement**" shall have the meaning ascribed to such term in the Subordination Agreement.

Subject to the subordination provisions of the Subordination Agreement, upon the occurrence of an Event of Default, the Holder may, at its option (a) declare the entire unpaid principal amount of this Note, together with all accrued interest to be immediately due and payable by written notice to the Maker; and (b) exercise any and all rights and remedies available to it under law and in equity. In addition, during the pendency of an Event of Default, the interest rate under this Note shall increase to an annual rate equal to the prime rate (as publicly announced by Wells Fargo Bank, National Association) plus 2%, with changes in such prime rate taking effect hereunder at the same time as they take effect for such bank.

The Maker will pay all costs and expenses incurred by or on behalf of Holder in connection with the Holder's exercise of any or all of its rights and remedies under this Note, including reasonable attorneys' fees, costs, and disbursements.

6. **Right to Withhold and Setoff**. For the avoidance of doubt and pursuant to Section 8.5(a) of the Purchase Agreement, the Maker has the right to reduce the face value of the Note and withhold such amount from any Installment due under this Note any amounts to which the Holder has finally agreed to in writing or which have been finally adjudicated as payable to the Maker and other Buyer Indemnitees pursuant to Article VIII of the Purchase Agreement.

7. **Assignment**. This Note may not be assigned by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld except that Holder may assign its rights to under this Note to any of its Affiliates without the prior written consent of the Maker.

8. **Successors**. This Note shall be binding upon, and shall inure to the benefit of and shall be enforceable by, the parties hereto and their permitted successors and assigns.

9. **Waivers**. The Maker hereby waives presentment for payment, demand, notice of dishonor, protest and notice of payment and all other notices of any kind in connection with the enforcement of this Note.

10. **Governing Law**. This Note and any claim, controversy or cause of action based upon, arising out of or relating to this Note shall be governed by the internal laws of the State of Delaware, without giving effect to conflict of laws principles thereof and any legal suit, action or proceeding arising out of or based upon this Note shall be subject in all respects to Section 9.10 of the Purchase Agreement.

11. **Notices**. All notices, requests, demands, claims, and other communications under this Note will be in writing and delivered in accordance with Section 9.2 of the Purchase Agreement.

12. **Amendments**. No amendment, modification, replacement, termination, or cancellation of any provision of this Note will be valid, unless the same will be in writing and signed by the Maker and the Holder. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

13. **Waiver of Jury Trial. THE MAKER HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING INVOLVING THIS NOTE. THIS PROVISION IS A MATERIAL INDUCEMENT FOR MAKER TO ENTER INTO THE CONTEMPLATED TRANSACTION.**

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Maker has executed this Note as of May 25, 2017.

ASURE SOFTWARE, INC.

/s/ Patrick Goepel
By: Patrick Goepel
Its: Chief Executive Officer

[Signature Page to Secured Subordinated Promissory Note]

Exhibit 4.2

THE OBLIGATIONS UNDER THIS NOTE ARE SUBORDINATE IN ALL RESPECTS TO THE SENIOR DEBT (AS HEREINAFTER DEFINED). NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, NO PAYMENTS OF ANY AMOUNT OWING UNDER THIS NOTE, INCLUDING, WITHOUT LIMITATION, PRINCIPAL, INTEREST, FEES, COMMISSIONS, SHALL BE MADE BY THE MAKER TO THE HOLDER UNLESS AND UNTIL THE SENIOR DEBT DOCUMENTS (AS HEREINAFTER DEFINED) HAVE BEEN TERMINATED IN ACCORDANCE WITH THEIR TERMS AND THE SENIOR DEBT SHALL HAVE BEEN INDEFEASIBLY PAID IN FULL; PROVIDED THAT NOTWITHSTANDING THE FOREGOING, MAKER MAY PAY AND HOLDER MAY ACCEPT REGULARLY SCHEDULED PAYMENTS OF PRINCIPAL AND INTEREST SUBJECT TO SECTION 3 BELOW.

SUBORDINATED PROMISSORY NOTE

$1,500,000.00 May 25, 2017

FOR VALUE RECEIVED, the undersigned, ASURE SOFTWARE, INC., a Delaware corporation (the "**Maker**"), hereby promises to pay to the order of JONATHAN GIBBONS, as Seller Representative and attorney-in-fact for Jonathan Gibbons, John Gibbons and Joshua Gibbons as Sellers (the "**Holder**") the principal amount of One Million Five Hundred Thousand and 00/100 Dollars ($1,500,000.00) (the "**Principal Amount**"), subject to adjustment as provided under this Subordinated Promissory Note (the "**Note**"), together with interest on the unpaid principal balance at an annual rate equal to 2.0%, under the terms set forth in this Subordinated Promissory Note.

This Note has been executed and delivered by the Maker pursuant to the terms of that certain Stock Purchase Agreement (the "**Purchase Agreement**"), dated as of May 25, 2017, by and among the Maker and Holder, and the other parties thereto. This Note is the "Promissory Note" defined in Article I of the Purchase Agreement. Capitalized terms used but not otherwise defined in this Note shall have the meanings ascribed to such terms in the Purchase Agreement.

1. **Payment**. The Principal Amount of this Note shall be paid in five equal annual installments of $300,000 (each an "**Installment**"), with the first such payment commencing on May 25, 2018 and continuing until May 25, 2022 (the "**Maturity Date**"):

All accrued and unpaid interest under this Note shall be due and payable on the Maturity Date. Subject to Sections 3, 5 and 6 below, all amounts due under this Note shall be paid by wire transfer of immediately available funds to an account designated by Holder. If any such payment is due on a day that is not a Business Day, the payment will be due on the next succeeding Business Day, and the resulting extension of time will be taken into account in calculating the amount of interest payable under this Note.

2. **Optional Prepayments**. The Maker may prepay this Note prior to the Maturity Date, in whole or in part, without penalty or premium, at any time and from time to time. Prepayments shall be applied first to accrued but unpaid interest and then to principal.

3. **Subordination to Senior Debt.**

(a) The following terms shall have the following meanings in this Note:

"**Affiliate**" shall mean, as applied to any Person, any other Person who controls, is controlled by, or is under common control with, such Person.

"**Bank Product**" shall mean any financial accommodation extended to a Maker or any of its respective subsidiaries or Affiliates by a Bank Product Provider including: (a) credit cards, (b) credit card processing services, (c) debit cards, (d) purchase cards, (e) ACH transactions, (f) cash management, including controlled disbursement, accounts or services, or (g) interest rate, credit, commodity or equity swap, cap, floor, collar, forward foreign exchange transaction, currency swap, cross currency rate swap, currency option, or any combination of, or option with respect to, these or similar transactions, for the purpose of hedging exposure to fluctuations in interest or exchange rates, loan, credit exchange, security, or currency valuations or commodity prices.

"**Bank Product Obligations**" shall mean all obligations, liabilities, contingent reimbursement obligations, fees, and expenses owing by a Maker or any of its respective subsidiaries or Affiliates to any Bank Product Provider pursuant to or evidenced by any agreement entered into from time to time by a Maker or any of its respective subsidiaries or Affiliates with a Bank Product Provider in connection with the obtaining of any Bank Products and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all such amounts that a Maker or any of its respective subsidiaries or Affiliates are obligated to reimburse to Senior Agent or any Senior Lender as a result of Senior Agent or such Senior Lender purchasing participations from, or executing indemnities or reimbursement obligations to, a Bank Product Provider with respect to the Bank Products provided by such Bank Product Provider to a Maker or any of its respective subsidiaries or Affiliates.

"**Bank Product Provider**" shall mean any Senior Lender or any Affiliate of any Senior Lender.

"**Bankruptcy Code**" shall mean Chapter 11 of Title 11 of the United States Code, as amended from time to time and any successor statute and all rules and regulations promulgated thereunder.

"**Enforcement Action**" shall mean (a) to take from or for the account of a Maker or any other person, by set-off or in any other manner, the whole or any part of any moneys which may now or hereafter be owing by the Maker with respect to the obligations evidenced by this Note, (b) to initiate or participate with others in any suit, action or proceeding against any Maker or any of its guarantors to (i) to sue for or enforce payment of the whole or any part of the obligations evidenced by this Note, (ii) commence or join with other persons to commence a Proceeding, or (iii) commence judicial enforcement of any of the rights and remedies under this Note or applicable law with respect to the obligations evidenced by this Note, (c) to accelerate the obligations evidenced by this Note, (d) to take any action to enforce any rights or remedies with respect to the obligations evidenced by this Note, (e) to exercise any put option or to cause any Maker to honor any redemption or mandatory prepayment obligation under this Note, or (f) to take any action under the provisions of any state or federal law, including, without limitation, the Uniform Commercial Code, or under any contract or agreement, to enforce, foreclose upon, take possession of or sell any property or assets of any Maker or any such guarantor.

"**Liquidity**" means "Liquidity" as defined in the Senior Credit Agreement, or any similar term in any applicable Refinancing Senior Debt Agreements.

"**Permitted Subordinated Debt Payments**" shall mean those payments of principal and interest provided for under Section 1 of the Subordinated Seller Note due and payable on a non-

accelerated basis in accordance with the terms of the Purchase Agreement and the Subordinated Seller Note.

"**Person**" shall mean natural persons, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

"**Proceeding**" shall mean any voluntary or involuntary insolvency, bankruptcy, receivership, custodianship, liquidation, dissolution, reorganization, assignment for the benefit of creditors, appointment of a custodian, receiver, trustee or other officer with similar powers or any other proceeding for the liquidation, dissolution or other winding up thereof.

"**Refinancing Senior Debt Agreements**" shall mean any agreements, instruments and documents which evidence the refinancing or replacement of any of the Senior Debt.

"**Senior Agent**" shall mean the agent under the Senior Debt Agreements.

"**Senior Credit Agreement**" shall mean that certain Amended and Restated Credit Agreement, dated as of May 25, 2017, among Senior Agent, Senior Lenders, the Maker and certain Affiliates of the Maker, as amended, restated or otherwise modified from time to time.

"**Senior Debt**" shall mean (i) shall mean all obligations, liabilities and indebtedness of every nature of any Maker or any of its respective subsidiaries or Affiliates from time to time owing under the Senior Debt Agreements, including, without limitation, the principal amount of all debts, claims and indebtedness, accrued and unpaid interest and all fees, costs and expenses, whether primary, secondary, direct, contingent, fixed or otherwise, heretofore, now and from time to time hereafter owing, due or payable, whether before or after the filing of a Proceeding under the Bankruptcy Code together with any interest, fees or expenses accruing thereon after the commencement of a Proceeding, without regard to whether or not such interest, fees or expenses are an allowed claim and (ii) all Bank Product Obligations. Senior Debt shall be considered to be outstanding whenever any loan commitment under the Senior Debt Agreements is outstanding.

"**Senior Debt Agreements**" shall mean (i) the Senior Credit Agreement, together with any agreements, guaranties, instruments and documents related thereto and executed in connection therewith, and (ii) any Refinancing Senior Debt Agreements, in each case as such agreements, instruments and documents may be amended or modified from time to time.

"**Senior Lenders**" shall mean the Holders of the Senior Debt.

(b) Each Maker covenants and agrees, and Holder by its acceptance of this Note likewise covenants and agrees, notwithstanding anything to the contrary contained in this Note, that the payment of this Note shall be subordinate and subject in right and time of payment, to the extent and in the manner hereinafter set forth, to the prior payment in full of the Senior Debt. Each Holder of Senior Debt, whether now outstanding or hereafter created, incurred, assumed or guaranteed, shall be deemed to have acquired Senior Debt in reliance upon the provisions contained in this Agreement.

(c) No payments of any amount owing under this Note, including, without limitation, principal, interest or fees, shall be made by any Maker to the Holder, or accepted by Holder, unless and until the Senior Debt Agreements have been terminated in accordance with their terms

and the Senior Debt shall have been indefeasibly paid in full; provided that Maker shall make and Holder may receive Permitted Subordinated Debt Payments so long as after giving effect to such payment, (i) no Senior Default exists, (ii) Maker is in pro forma compliance with any applicable financial covenants in the Senior Debt Agreements and (iii) Maker has Liquidity of at least $7,000,000, and further provided, in conjunction with any such payment, Maker will certify in writing to Holder that it is in compliance with the foregoing clauses (i), (ii) and (iii) at the time the payment is made.

(d) If any payment or distribution of assets on account of this Note not permitted to be made by a Maker or accepted by Holder is made and received by Holder (including, without limitation, in the event of any Proceeding), such payment or distribution of assets shall not be commingled with any of the assets of Holder, shall be held in trust by Holder for the benefit of the Holders of Senior Debt and shall be promptly paid over to Senior Agent for application (in accordance with the Senior Debt Agreements) to the payment of the obligations owing under the Senior Debt Agreements then remaining unpaid, until all of the obligations under the Senior Debt Agreements are paid in full and all commitments to lend under the Senior Debt Agreements have been terminated.

(e) Until the Senior Debt is indefeasibly paid in full in cash and all commitments to lend under the Senior Debt Agreements shall have terminated, Holder shall not, without the prior written consent of Senior Lenders, take any Enforcement Action with respect to the obligations evidenced by this Note. Any payments or distributions of assets or other proceeds of any Enforcement Action obtained by Holder in violation of the foregoing prohibition shall in any event be held in trust by Holder for the benefit of the Holders of Senior Debt and shall be promptly paid over to Senior Agent for application (in accordance with the Senior Debt Agreements) to the payment of the obligations owing under the Senior Debt Agreements then remaining unpaid, until all of the obligations under the Senior Debt Agreements are paid in full and all commitments to lend under the Senior Debt Agreements have been terminated. Without limiting the foregoing, Holder shall not offset against, or otherwise deduct from, any amount owing by Holder to Maker, any amount owing by Maker to Holder hereunder; provided that Holder may reduce the principal of the Note pursuant to Article VIII of the Purchase Agreement.

(f) In the event of any Proceeding involving any Maker on a date which either the Senior Debt has not been indefeasibly paid in full in cash or any commitments to lend under the Senior Debt Agreements are outstanding:

(i) all Senior Debt shall first be indefeasibly paid in full in cash and all commitments to lend under the Senior Debt Agreements shall be terminated before any payment or distribution of assets, whether in cash, securities or other property, shall be made to Holder on account of the Note;

(ii) any payment or distribution of assets of a Maker, whether in cash, securities or other property which would otherwise, but for the terms hereof, be payable or deliverable in respect of the Note shall be paid or delivered directly to Senior Agent until all outstanding Senior Debt has been paid in full; Holder hereby irrevocably authorizes, empowers and directs any debtor, debtor in possession, receiver, trustee, liquidator, custodian, conservator or other person having authority, to pay or otherwise deliver all such distributions; and

(iii) Holder agrees to execute, verify, deliver and file any proofs of claim in respect of the Note requested by Senior Agent in connection with any Proceeding and

hereby irrevocably authorizes, empowers and appoints the Senior Agent its agent and attorney-in-fact to (i) execute, verify, deliver and file such proofs of claim upon the failure of Holder promptly to do so prior to 30 days before the expiration of the time to file any such proof of claim and (ii) vote such claim in any such Proceeding upon the failure of Holder to do so prior to 15 days before the expiration of the time to vote any such claim; provided that the Senior Agent shall have no obligation to execute, verify, deliver and/or file any such proof of claim or to vote any such claim; and provided further that in the event that Senior Agent votes any claim in accordance with the authority granted hereby, Holder shall not be entitled to change or withdraw such vote.

(g) All rights and interest of the Holders of any Senior Debt hereunder, and all agreements and obligations of the Maker and the Holder hereunder, shall remain in full force and effect irrespective of:

(i) any lack of validity or enforceability of any Senior Debt Agreement;

(ii) any change in the time, manner or place of payment of, or any other term of, all or any of the Senior Debt, or any other permitted amendment or waiver of or any release or consent to departure from any of the Senior Debt Agreements;

(iii) any exchange, release or non-perfection of any collateral for all or any of the Senior Debt;

(iv) any failure of any Holder of any Senior Debt to assert any claim or to enforce any right or remedy against any other party hereto under the provisions of this Note or any Senior Debt Agreement;

(v) any reduction, limitation, impairment or termination of any Senior Debt for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and each Maker and the Holder hereby waive any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of invalidity, illegality, nongenuiness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, any Senior Debt; and

(vi) any other circumstance which might otherwise constitute a defense available to, or a discharge of, any Maker in respect of any Senior Debt or the Holder in respect of this Note.

(h) The Holder acknowledges and agrees that the Holders of the Senior Debt may in accordance with the terms of the Senior Debt Agreements, without notice or demand and without affecting or impairing such Holders' obligations hereunder, (i) modify the Senior Debt Agreements; (ii) take or hold security for the payment of the Senior Debt and exchange, enforce, foreclose upon, waive and release any such security; (iii) apply such security and direct the order or manner of sale thereof as such Holders, in their sole discretion, may determine; (iv) release and substitute one or more endorsers, warrantors, borrowers or other obligors; and (v) exercise or refrain from exercising any rights against any Maker or any other person. The Senior Debt shall continue to be treated as Senior Debt and the provisions of this Note shall continue to govern the relative rights and priorities of the Holders of the Senior Debt and the Holder even if all or part of the Senior Debt or the security interests securing the Senior Debt are subordinated, set aside, avoided, invalidated or disallowed (including, without limitation, in the event of a Proceeding).

(i) The Holder agrees not to initiate, prosecute or participate in any claim, action or other proceeding challenging the enforceability, validity, perfection or priority of all or any portion of the Senior Debt or any liens and security interests securing all or any portion of the Senior Debt. The Holder agrees not to initiate or commence any Proceeding involving any Maker.

(j) The Holder agrees that, until the Senior Debt has been paid in full, the indebtedness evidenced by this Note shall at all times be unsecured indebtedness. Any liens and security interests of the Holder which may exist in breach of the immediately preceding sentence shall be and hereby are subordinated for all purposes and in all respects to the liens and security interests of the Holders of the Senior Debt, regardless of the time, manner or order of perfection of any such liens and security interests. In the event that the Holder shall at any time have any liens or security interests in respect of the indebtedness evidenced by this Note, each Holder of Senior Debt and Senior Agent shall be deemed authorized by such Holder to file UCC termination statements sufficient to terminate the liens and security interests in favor of the Holder, and the Holder shall promptly execute and deliver to each Holder of Senior Debt and Senior Agent, upon its request therefore, such releases and terminations as such Holder of Senior Debt shall reasonably request to effect the release of such liens and security interests of the Holder. In furtherance of the foregoing, the Holder hereby irrevocably appoints each Holder of Senior Debt and Senior Agent its attorney-in-fact, with full authority in the place and stead of the Holder and in the name of the Holder or otherwise, to execute and deliver any document or instrument which the Holder may be required to deliver pursuant to this paragraph.

(k) If, at any time, all or part of any payment with respect to Senior Debt theretofore made by any Maker or any other person is rescinded or must otherwise be returned by the [Holders] of Senior Debt for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of such Maker or such other persons), the subordination provisions set forth herein shall continue to be effective or be reinstated, as the case may be, all as though such payment had not been made.

(l) Until the Senior Debt has been indefeasibly paid in full in cash and all lending commitments under the Senior Debt Agreements have terminated, and notwithstanding anything to the contrary contained in this Note, Holder shall not, without the prior written consent of Senior Agent, agree to any amendment, modification or supplement to this Note. The Note shall not be sold, pledged, endorsed, transferred or assigned by Holder without the express written approval of each Maker and Senior Agent, and any such sale, pledge, endorsement, transfer or assignment, or attempted sale, pledge, endorsement, transfer or assignment without such approvals shall be null and void *ab initio*. Each Holder of the Senior Debt shall be a third party beneficiary of the terms hereof.

4. **Default**. The occurrence of any of the following shall constitute a default under this Note (each an "**Event of Default**"):

(a) the Maker fails to make any required payment under this Note when due, and such failure shall continue for fifteen (15) days after written notice from the Holder to the Maker; provided, however, that neither of the following shall constitute an Event of Default:

(i) the withholding of any amount in good faith as security pursuant to Section 8.5 of the Purchase Agreement; or

(ii) the failure to pay the last Installment under this Note in full when due to the extent a Buyer Indemnitee has delivered notice of a claim for indemnification in good faith pursuant to Section 8.2 of the Purchase Agreement and such claim has not been finally resolved or agreed to on or before the Maturity Date, and the Maker otherwise pays all undisputed amounts due pursuant to the last Installment under this Note; or

(iii) the offset of any amount due on an Installment in connection with any payment owed by the Seller under Section 8.6 of the Purchase Agreement.

(b) the Maker, under the applicable laws of any jurisdiction: (i) is dissolved, liquidated, or wound up or otherwise ceases doing business; (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator, or similar official; (iv) makes a general assignment for the benefit of its creditors; or (v) institutes a proceeding, or has an involuntary proceeding instituted against it and such involuntary proceeding is not dismissed within sixty (60) days of such filing, seeking a judgment of insolvency, bankruptcy, or any other similar relief under any bankruptcy, insolvency, or other similar law affecting creditors' rights.

Subject to Section 3 of this Note, upon the occurrence of an Event of Default, the Seller may, at its option (a) declare the entire unpaid principal amount of this Note, together with all accrued interest to be immediately due and payable by written notice to the Maker; and (b) exercise any and all rights and remedies available to it under law and in equity. Subject to Section 3, in addition, during the pendency of an Event of Default, the interest rate under this Note shall increase to an annual rate equal to the prime rate (as publicly announced by Wells Fargo Bank, National Association) plus 2%, with changes in such prime rate taking effect hereunder at the same time as they take effect for such bank. Subject to Section 3, the Maker will pay all costs and expenses incurred by or on behalf of Holder in connection with the Holder's exercise of any or all of its rights and remedies under this Note, including reasonable attorneys' fees, costs, and disbursements.

5. Right to Withhold and Setoff. For the avoidance of doubt and pursuant to Section 8.5 of the Purchase Agreement, the Maker has the right to withhold from any Installment due under this Note any amounts to which the Maker and other Buyer Indemnitees may be entitled under Article VII and Article VIII of the Purchase Agreement, including with respect to Section 8.6.

6. **Assignment**. This Note may not be assigned by the Seller's Representative without the prior written consent of the Maker, which shall not be unreasonably withheld.

7. **Successors**. This Note shall be binding upon, and shall inure to the benefit of and shall be enforceable by, the parties hereto and their permitted successors and assigns.

8. **Waivers**. The Maker hereby waives presentment for payment, demand, notice of dishonor, protest and notice of payment and all other notices of any kind in connection with the enforcement of this Note.

9. **Governing Law**. This Note and any claim, controversy or cause of action based upon, arising out of or relating to this Note shall be governed by the internal laws of the State of Delaware, without giving effect to conflict of laws principles thereof and any legal suit, action or proceeding arising out of or based upon this Note shall be subject in all respects to Section 9.11 of the Purchase Agreement.

10. **Notices**. All notices, requests, demands, claims, and other communications under this Note will be in writing and delivered in accordance with 9.3 of the Purchase Agreement.

11. **Amendments**. No amendment, modification, replacement, termination, or cancellation of any provision of this Note will be valid, unless the same will be in writing and signed by the Maker and the Holder. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

12. **Waiver of Jury Trial. THE MAKER HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING INVOLVING THIS NOTE. THIS PROVISION IS A MATERIAL INDUCEMENT FOR MAKER TO ENTER INTO THE CONTEMPLATED TRANSACTION.**

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Maker has executed this Note as of May 25, 2017.

ASURE SOFTWARE, INC.

/s/ Patrick Goepel
By: Patrick Goepel
Its: Chief Executive Officer

[Signature Page to Subordinated Promissory Note]

Exhibit 10.1

EQUITY PURCHASE AGREEMENT

AMONG

ASURE SOFTWARE, INC.,

ISYSTEMS HOLDINGS, LLC,

AND
ISYSTEMS INTERMEDIATE HOLDCO, INC.,

DATED AS OF

May 25, 2017

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EQUITY PURCHASE AGREEMENT

This Equity Purchase Agreement (this "**Agreement**"), dated as of May 25, 2017, is entered into among ASURE SOFTWARE, INC., a Delaware corporation ("**Buyer**"), iSYSTEMS HOLDINGS, LLC, a Delaware limited liability company (the "**Seller**"), and iSYSTEMS INTERMEDIATE HOLDCO, INC., a Delaware corporation (the "**Company**").

RECITALS

A. Seller owns 100% of the issued and outstanding equity interests of the Company, consisting of 1,000 shares of common stock, par value $0.01 (the "**Equity Interests**").

B. Seller wishes to sell to Buyer, and Buyer wishes to purchase from Seller, the Equity Interests, subject to the terms and conditions set forth in this Agreement.

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

ARTICLE I
DEFINITIONS

The following terms have the meanings specified or referred to in this Article I:

"**Action**" means any claim, action, demand, lawsuit, arbitration, audit, notice of violation, proceeding, litigation, citation, summons, or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

"**Adjusted Cap**" has the meaning set forth in Section 8.3(a).

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

"**Agreed Accounting Principles**" means GAAP applied on a basis consistent with the methodologies, practices, classifications, judgments, estimation techniques, assumptions and principles used in the preparation of the Balance Sheet. For further clarification, if alternative methodologies exist for calculating asset and liability balances under GAAP, the methodology utilized by the Company in preparing Working Capital at the Closing pursuant to Section 2.4(a) will be employed.

"**Agreement**" has the meaning set forth in the preamble.

"**Balance Sheet**" has the meaning set forth in Section 3.6.

"**Balance Sheet Date**" has the meaning set forth in Section 3.6.

"**Basket**" has the meaning set forth in Section 8.3(b).

"Benefit Plan" has the meaning set forth in Section 3.18(a).

"**Bonus Amounts**" means any and all management sale bonuses, transaction bonuses, change of control, retention or similar compensatory payments due or payable to employees, directors or consultants of the Company or its Subsidiaries by the Company or its Subsidiaries, in each case, as a result of the transactions contemplated hereby (including the employer portion of any employment taxes related to such Bonus Amounts).

"**Business**" means the business of the Company and each Company Subsidiary as currently operated, including providing software and services in the areas of payroll, tax management, human resources and benefits.

"**Business Day**" means any day except Saturday, Sunday or any other day on which commercial banks located in New York, New York are authorized or required by Law to be closed for business.

"**Buyer Financial Statements**" has the meaning set forth in Section 5.7(b).

"Buyer Indemnitees" has the meaning set forth in Section 8.2.

"**Buyer Material Adverse Effect**" means any event, occurrence, fact, condition or change that has had, or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on (a) the business, results of operations, financial condition or operating results of Buyer and its Subsidiaries, taken as a whole, or (b) the ability of Buyer to consummate the transactions contemplated hereby; provided, however, that a "Buyer Material Adverse Effect" shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which Buyer and its Subsidiaries operate; (iii) any changes in financial or securities markets in general; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by this Agreement; (vi) any changes in applicable Laws or accounting rules.

"**Buyer SEC Reports**" has the meaning set forth in Section 5.7(a).

"**Cap**" has the meaning set forth in Section 8.3(c).

"**Cash Consideration**" has the meaning set forth in Section 2.1(b).

"**Cash on Hand**" means, as of the Effective Time (but before taking into account the consummation of the transactions contemplated hereby), all cash, all cash equivalents, all restricted cash (including all cash posted to support letters of credit, performance bonds or other similar obligations), marketable securities and deposits with third parties (including landlords) of the Company and any of its Subsidiaries, in each case determined in accordance with the Agreed Accounting Principles and in excess of the Minimum Cash. For the avoidance of doubt, Cash on

Hand will be calculated net of issued but uncleared checks and drafts (in each case to the extent the liability related thereto is not being included in the calculation of Working Capital) and will include checks, other wire transfers and drafts deposited or available for deposit for the account of the Company or any of its Subsidiaries (in each case, to the extent the asset related thereto has not been included in the calculation of Working Capital).

"**Cash Proceeds**" means (i) the Estimated Cash Consideration, plus (ii) the amount of all principal and interest actually paid to Seller under and pursuant the Promissory Note, plus (iii) the net proceeds received in connection with the sale of any shares of Buyer's common stock received as the Stock Consideration, plus (iv) the Letter of Credit Amount following receipt of such amount pursuant to Section 6.6(b), plus (v) the amount, if any, of any positive Post-Closing Adjustment, less (vi) the amount of Cash on Hand, and less (viii) the amount, if any, of any negative Post-Closing Adjustment, but, in each case, only to the extent actually received by Seller as of the later of May 25, 2022 or the expiration of the statute of limitations for any claim arising under Section 3.20 or Article VII of this Agreement, plus 60 days.

"**Charter Documents**" means, with respect to any Person, as applicable, its certificate of incorporation, by-laws or other organizational documents.

"**Claiming Party**" has the meaning set forth in Section 9.13.

"**Closing**" has the meaning set forth in Section 2.2.

"**Closing Date**" has the meaning set forth in Section 2.2.

"**Closing Statement**" has the meaning set forth in Section 2.4(b)(i).

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

"**Company**" has the meaning set forth in the preamble.

"**Company Closing Certificate**" has the meaning set forth in Section 2.4(a).

"**Company Closing Working Capital**" means the Working Capital of the Company as of the Effective Time.

"**Company Disclosure Schedule**" has the meaning in the preamble to Article III.

"**Company Intellectual Property**" means all Intellectual Property that is owned by the Company or any Company Subsidiary.

"**Company IP Agreements**" means all licenses, sublicenses, consent to use agreements, settlement agreements, coexistence agreements, covenants not to sue, permissions and other Contracts (including any right to receive or obligation to pay royalties or any other consideration), whether written or oral, in each case relating to Intellectual Property and to which the Company or any Company Subsidiary is a party, beneficiary or otherwise bound.

"**Company IP Registrations**" means all Company Intellectual Property that is subject to any issuance registration, application or other filing by, to or with any Governmental Authority or authorized private registrar in any jurisdiction, including registered trademarks, domain names and copyrights, issued and reissued patents and pending applications for any of the foregoing.

"**Company Material Adverse Effect**" means any event, occurrence, fact, condition, change or development that has had, or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on (a) the business, results of operations, financial condition or operating results of the Company or any Company Subsidiary, taken as a whole, or (b) the ability of the Company or any Company Subsidiary to consummate the transactions contemplated hereby; provided, however, that a "**Company Material Adverse Effect**" shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the Company and its Subsidiaries operate; (iii) any changes in financial or securities markets in general; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by this Agreement; (vi) any changes in applicable Laws or accounting rules, including GAAP; or (vii) the public announcement, pendency or completion of the transactions contemplated by this Agreement.

"**Company Software**" means computer programs and related documentation currently researched, designed, developed, manufactured, performed, licensed, sold, distributed and/or otherwise made commercially available by the Company or any Company Subsidiary, including without limitation the following: Evolution HCM, Evolution Advanced HR, Evolution Payroll, Evolution API Gateway and BureauLink.

"**Company Subsidiary**" has the meaning set forth in Section 3.1.

"**Company Target Working Capital**" means $445,609.00.

"**Company Trade Secrets**" has the meaning set forth in Section 3.12(e).

"**Confidentiality Agreement**" means that certain letter agreement re confidentiality dated as of January 23, 2017 by and between Buyer and iSystems LLC, a Vermont limited liability company.

"**Contaminants**" has the meaning set forth in Section 3.12(n).

"**Continuing Employee**" has the meaning set forth in Section 6.4.

"**Contracts**" means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

"**Covered Products**" means any Company Software or related product, service or solution of the Company or a Company Subsidiary and includes, to the extent sublicensed or offered for use by or through a Service Bureau, the same as branded by a Service Bureau to its Service Bureau Clients under the Company name or otherwise, and regardless of whether the

Company Software or related product, service or solution is sublicensed to or made available for use by a client on a freestanding, bundled or integrated arrangement basis.

"**Custodial Accounts**" has the meaning set forth in Section 3.26.

"**Defending Party**" has the meaning set forth in Section 9.13.

"**D&O Indemnified Party**" has the meaning set forth in Section 6.2(a).

"**Direct Claim**" has the meaning set forth in Section 8.4(c).

"**Disclosure Schedules**" has the meaning set forth in Article IV.

"**Disputed Amounts**" has the meaning set forth in Section 2.4(b)(iv).

"**Dollars or $**" means the lawful currency of the United States.

"**Effective Time**" means 12:00 a.m. on the Closing Date.

"**Encumbrance**" means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

"**Equity Interests**" has the meaning set forth in the recitals to this Agreement.

"**Equityholder Parties**" has the meaning set forth in Section 9.15(b).

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

"**ERISA Affiliate**" means all employers (whether or not incorporated) that would be treated together with the Company or any of its Affiliates as a "single employer" within the meaning of Section 414 of the Code.

"**Estimated Cash Consideration**" has the meaning set forth in Section 2.4(a).

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

"**First Year Losses**" has the meaning set forth in Section 8.3(a).

"**Final Cash Consideration**" means the amount of Cash Consideration as of the Effective Time as finally determined pursuant to Section 2.4.

"**Financial Statements**" has the meaning set forth in Section 3.6.

"**Fraud**" means with respect to a Person, such Person's criminal activity, intentional misconduct, intentional misrepresentation or common law fraud in each case with the specific

intent to deceive and mislead, regarding the representations and warranties made in Article III, Article IV or Article V by such Person.

"**Free and Open Source Software**" means any software that is subject to the GNU General Public License, any "copyleft" license or any other open source or quasi-open source license that requires as a condition of use, modification and/or distribution of code associated with it be (A) disclosed or distributed in source code form, (B) licensed for purpose of making derivative works; (C) redistributable at no charge; or (D) licensed under terms approved the Open Source Initiative or similar organization.

"**Fundamental Representations**" means the representations and warranties set forth in Section 3.1, Section 3.2, Section 4.1, Section 4.2 and Section 4.4.

"**GAAP**" means United States generally accepted accounting principles in effect from time to time.

"**Governmental Authority**" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Guarantors" means Silver Oak iSystems, LLC, a Delaware limited liability company, and SOSP.

"Guaranty" has the meaning set forth in Section 2.3(a)(viii).

"**Income Tax**" means any federal, state, local, or non-U.S. Tax that is based upon, measured by or calculated with respect to net income.

"**Indebtedness**" means, without duplication and with respect to any Person, all (a) indebtedness for borrowed money; (b) obligations for the deferred purchase price of property or services (excluding any trade payables, deferred revenue (both short-term and long-term) or accrued expenses arising in the ordinary course of business), (c) long or short-term obligations evidenced by notes, bonds, debentures or other similar instruments; (d) obligations under any interest rate, currency swap or other hedging agreement or arrangement; (e) obligations with respect to leases required to be accounted for as capital leases under GAAP; (f) reimbursement obligations under any letter of credit, banker's acceptance or similar credit transactions (in each case, solely to the extent drawn); (g) guarantees made by such Person on behalf of any third party in respect of obligations of the kind referred to in the foregoing clauses (a) through (f); (h) Taxes Payable; and (i) any unpaid interest, prepayment penalties, premiums, costs and fees that arise or become due as a result of the prepayment of any of the obligations referred to in the foregoing clauses (a) through (h), in each case, solely to the extent that the obligations

underlying such interest, penalty, premiums, costs and fees are paid in full in connection with the transactions contemplated hereby.

"**Independent Accountant**" has the meaning set forth in Section 2.4(b)(iv).

"**Insurance Policies**" has the meaning set forth in Section 3.15.

"**Intellectual Property**" means all intellectual property and intellectual property rights and assets, and all rights, interests and protections that are associated with, similar to, or required for the exercise of, any of the foregoing, however arising, pursuant to the Laws of any jurisdiction throughout the world, whether registered or unregistered, including any and all: (a) trademarks, service marks, trade names, brand names, logos, trade dress, design rights and other similar designations of source, sponsorship, association or origin, together with the goodwill connected with the use of and symbolized by, and all registrations, applications and renewals for, any of the foregoing; (b) internet domain names, whether or not trademarks, registered in any top-level domain by any authorized private registrar or Governmental Authority, web addresses, web pages, websites and related content, accounts with Twitter, Facebook and other social media companies and the content found thereon and related thereto, and URLs; (c) works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights, author, performer, moral and neighboring rights, and all registrations, applications for registration and renewals of such copyrights; (d) inventions, discoveries, trade secrets, business and technical information and know-how, databases, data collections and other confidential and proprietary information and all rights therein; (e) patents (including all reissues, divisionals, provisionals, continuations and continuations-in-part, re-examinations, renewals, substitutions and extensions thereof), patent applications, and other patent rights and any other Governmental Authority-issued indicia of invention ownership (including inventor's certificates, petty patents and patent utility models); and (f) software and firmware, including data files, source code, object code, application programming interfaces, architecture, files, records, schematics, computerized databases and other related specifications and documentation, including with respect to the Company Software.

"**Interim Financial Statements**" has the meaning set forth in Section 3.6.

"**Investor Rights Agreement**" has the meaning set forth in Section 2.3(a)(viii).

"**IT Systems**" has the meaning set forth in Section 3.12(q).

"**Key Employee**" means Ted Pricer, Kathey Palmer and Theodore Les.

"**Knowledge**" means, when used with respect to the Company, the actual knowledge of any Key Employee after due inquiry.

"**Law**" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority or the rules or regulations of any stock exchange, including for the avoidance of doubt, the NASDAQ Stock Market.

"**Letter of Credit Amount**" means $200,000.

"**Letter of Credit**" has the meaning set forth in Section 6.6(a).

"**Liabilities**" means, with respect to any Person, any liability or obligation of such Person, whether asserted or unasserted, whether known or unknown, whether absolute or contingent, whether accrued or unaccrued, whether matured or unmatured and whether or not required under GAAP to be accrued on the financial statements of such Person.

"**Losses**" means out-of-pocket losses, damages, liabilities, deficiencies, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable out-of-pocket attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers; provided, however, that "Losses" shall not include, and Buyer shall not be entitled to seek or recover from the Company or Seller under any theory of liability, any incidental, consequential, indirect or punitive damages or any losses, liabilities, damages or expenses for lost profits or diminution in value or any "multiple of profits", "multiple of cash flow" or similar valuation methodology used in calculating the amount of Losses, except for punitive damages to the extent actually awarded and paid to a Governmental Authority or other third party.

"**Material Contracts**" has the meaning set forth in Section 3.9(a).

"**Material Customers**" has the meaning set forth in Section 3.14(a).

"**Material Suppliers**" has the meaning set forth in Section 3.14(b).

"**Minimum Cash**" means an aggregate amount equal to $200,000.

"**Multiemployer Plan**" has the meaning set forth in Section 3.18(c).

"**ordinary course of business**" means the ordinary course of business, consistent with past practice.

"**Permits**" means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Authorities.

"**Permitted Encumbrances**" has the meaning set forth in Section 3.10(a).

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

"**Personal Information**" means information and data concerning an identified or identifiable natural Person, including, without limitation, any information specifically defined or identified in any privacy policy of the Company or any Company Subsidiary or Service Bureau as "personal information," "personally identifiable information," or "PII" and includes information such as (i) an individual's name, signature, address, telephone number, social security number or other identification number; (ii) passwords, PINs, biometric data, unique identification numbers, answers to security questions and other similar forms of personal identifiers, (iii) any non-public personal information such as health information, and (iv) other

sensitive personal information. Personal Information may relate to any individual, including a current, prospective or former customer, employee or vendor of any Person. Personal Information includes information in any form, including paper, electronic and other forms.

"**Pledge Agreement**" has the meaning set forth in Section 2.3(a)(x).

"**Policy**" has the meaning set forth in Section 8.3(g).

"**Post-Closing Adjustment**" has the meaning set forth in Section 2.4(b)(vi).

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

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

"**Promissory Note**" means that Secured Subordinated Promissory Note in the form attached as ***Exhibit A*** hereto in the face amount of $5,000,000.00 (as adjusted pursuant to Section 8.5 of this Agreement).

"**Purchase Price**" has the meaning set forth in Section 2.1(a).

"**Qualified Benefit Plan**" has the meaning set forth in Section 3.18(c).

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

"**Representative**" means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

"**Resolution Period**" has the meaning set forth in Section 2.4(b)(iii).

"**Restrictive Covenant Agreements**" has the meaning set forth in Section 2.3(a)(ix).

"**Restricted Person**" means each of the Guarantors, Michael Trahan and Desiree Trahan.

"**Review Period**" has the meaning set forth in Section 2.4(b)(ii).

"**SEC**" means the United States Securities and Exchange Commission.

"**Section 8.5(a) Loss**" has the meaning set forth in Section 8.5(a).

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Seller**" has the meaning set forth in the preamble.

"**Seller Disclosure Schedule**" has the meaning set forth in Article IV.

"**Seller's First Year Losses**" has the meaning set forth in Section 8.6(c).

"**Seller Indemnitees**" has the meaning set forth in Section 8.3.

"**Service Bureau**" means a Person that, as of the Effective Time, has licensed a Covered Product (i) to use for itself, (ii) to sublicense to any other Person or (iii) to use for the benefit of any of other Person.

"**Selling Expenses**" means, as of the Effective Time, all unpaid costs, fees and expenses of outside professionals incurred by the Company or any Company Subsidiary (including expenses incurred by the Company on behalf of the Seller) related to the process of selling the Company, whether incurred in connection with this Agreement or otherwise, including, without limitation, all broker fees and expenses, and legal, accounting, tax and investment and banking fees and expenses. For the avoidance of doubt, Selling Expenses do not include (i) the payment of any severance or similar payments to employees of the Company or any Company Subsidiary that are terminated in connection with or following the consummation of the transactions contemplated hereby or (ii) any amounts invoiced to Seller, whether prior to or following the Closing, which are reimbursable by Buyer in connection with the services relating to Buyer's securities offering provided by DiFilippo Corporate Finance Group and RSM US LLP in connection with the transaction.

"**Seller**" has the meaning set forth in the preamble.

"**Seller First Year Losses**" has the meaning set forth in Section 8.6(c).

"**Shares**" has the meaning set forth in Section 4.4(a)

"**SOSP**" means Silver Oak Services Partners II, L.P., a Delaware limited partnership.

"**Statement of Objections**" has the meaning set forth in Section 2.4(b)(iii).

"**Stock Consideration**" means 1,526,332 shares of the Buyer's common stock (which, except pursuant to the terms of the Investor Rights Agreement, shall be restricted only by applicable securities Laws) to be issued to Seller, which the parties have agreed have, as of the Closing Date, an aggregate value of $18,000,000 based upon a volume-weighted average of the daily closing prices for a period preceding the Closing Date.

"**Straddle Period**" has the meaning set forth in Section 7.5.

"**Subordination Agreement**" has the meaning set forth in Section 2.3(a)(ix).

"**Subsidiary**" means, with respect to any Person, any other Person of which a majority of the outstanding shares or other equity interests having the power to vote for directors or others performing similar functions are owned, directly or indirectly, by the first Person.

"**Taxes**" means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance,

environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

"**Tax Claim**" has the meaning set forth in Section 7.6.

"**Taxes Payable**" means any unpaid Taxes of the Company or any Company Subsidiary as of the Closing Date (net of any prepayments of estimated payments).

"**Tax Return**" means any return, declaration, report, claim for refund, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"**Third Party Claim**" has the meaning set forth in Section 8.4(a).

"**Transaction Documents**" means the Agreement, the Promissory Note, the Investor Rights Agreement, the Guaranty, the Pledge Agreement, the Subordination Agreement and the Restrictive Covenant Agreements.

"**Undisputed Items**" has the meaning set forth in Section 2.4(b)(iv).

"**Union**" has the meaning set forth in Section 3.19(c).

"**Working Capital**" means, with respect to the Company and the Company Subsidiaries, their consolidated current assets (excluding Cash on Hand and intercompany assets) less their consolidated current liabilities (excluding (a) any items constituting Indebtedness, Selling Expenses or Bonus Amounts, (b) intercompany liabilities and (c) deferred revenue), in each case, as of the Effective Time and calculated in accordance with the Agreed Accounting Principles and without any change in or introduction of any new reserves. For the avoidance of doubt, the determination of Working Capital for purposes of calculating the Estimated Cash Consideration and the Final Cash Consideration and the preparation of the Closing Statement will take into account only those components (*i.e.*, line items) used in calculated the Company Target Working Capital as set forth on ***Exhibit E***.

ARTICLE II
PURCHASE AND SALE

2.1 Purchase and Sale.

(a) On the terms and subject to the conditions set forth in this Agreement, at the Closing, Seller shall sell, transfer and deliver to Buyer, free and clear of any Encumbrances (other than Permitted Encumbrances), and Buyer shall purchase from Seller, all of the Equity Interests, for an aggregate purchase price of $55,000,000.00, payable as provided in this Agreement (the "**Purchase Price**"), subject to adjustment as provided in Section 2.4.

(b) For purposes of this Agreement, "**Cash Consideration**" means an amount equal to: (i) the Purchase Price, subject to adjustment as provided in Section 2.4, plus the sum of (ii) the amount of Cash on Hand and (iii) the amount, if any, by which Company Closing Working Capital exceeds the Company Target Working Capital, minus the sum of (iv) the face amount of the Promissory Note, (v) the aggregate value of the Stock Consideration, (vi) the amounts of Indebtedness, Bonus Amounts, and Selling Expenses as of the Effective Time, (vii) the amount, if any, by which the Company Target Working Capital exceeds Company Closing Working Capital and (viii) the Letter of Credit Amount. On the Closing Date, Buyer shall pay to the Seller the Estimated Cash Consideration as set forth below in Section 2.3(b)(i).

2.2 Closing. Subject to the terms and conditions of this Agreement, the closing of the transactions hereunder (the "Closing") shall take place at 10:00 a.m., Central time on the date hereof, at the offices of Messerli & Kramer P.A., 100 South Fifth Street, Suite 1400, Minneapolis, Minnesota 55402, or at such other time or on such other date or at such other place as the Seller and Buyer may mutually agree upon in writing (the day on which the Closing takes place being the "Closing Date").

2.3 Closing Deliverables.

(a) **By Seller and Company**. At or prior to the Closing, Seller and the Company shall deliver or cause to be delivered to Buyer the following:

(i) stock certificate(s) evidencing the Equity Interests, free and clear of all Encumbrances (except for Permitted Encumbrances), duly endorsed in blank or accompanied by assignments or other instruments of transfer duly executed in blank;

(ii) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of the Seller certifying that attached thereto are true and complete copies of all resolutions adopted by the Seller's board of directors or managers authorizing the execution, delivery and performance of this Agreement and the Transaction Documents (to the extent the Seller is party thereto) and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby;

(iii) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of the Company certifying that attached thereto are true and complete copies of all resolutions adopted by the Company's Board of Directors authorizing the execution, delivery and performance of this Agreement and the Transaction Documents (to the extent the Company is party thereto) and the consummation of the transactions contemplated hereby and thereby (to the extent the Company is party thereto), and that all such resolutions are in full

force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby;

(iv) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of each of the Seller and the Company certifying the names and signatures of the officers of the Seller and the Company authorized to sign this Agreement, the Transaction Documents and the other documents to be delivered hereunder and thereunder;

(v) a good standing certificate (or its equivalent) from the secretary of state or similar Governmental Authority of the jurisdiction under the Laws in which the Seller, the Company and each Company Subsidiary is organized;

(vi) payoff letters, in forms reasonably satisfactory to Buyer with respect to the payoff amounts as of the Closing Date for the Indebtedness identified on Schedule 2.3(a)(vi) of the Company Disclosure Schedule, and releases of any Encumbrances granted in connection with such Indebtedness held by the third party delivering such payoff letter, indicating that upon payment of a specified amount (subject to per diem increase, if applicable), such holder shall release its Encumbrances in, and agree to execute or authorize the execution of Uniform Commercial Code termination statements necessary to release of record its Encumbrances in, the assets, properties and securities of the Company or any Company Subsidiary;

(vii) an investor rights agreement in the form of ***Exhibit B***, duly executed by the Seller (the "**Investor Rights Agreement**");

(viii) an indemnification backstop guaranty in the form of ***Exhibit C***, duly executed by the Guarantors (the "**Guaranty**");

(ix) the restrictive covenant agreements in the form of ***Exhibit D***, duly executed by each Restricted Person (the "**Restrictive Covenant Agreements**");

(x) a stock pledge agreement, duly executed by Seller (the "**Pledge Agreement**");

(xi) a subordination and intercreditor agreement with Wells Fargo Bank, duly executed by Seller (the "**Subordination Agreement**");

(xii) written resignations, effective as of the Closing Date, of the officers and directors of the Company and each Company Subsidiary;

(xiii) the approvals, consents and waivers set forth on Schedule 2.3(a) (xiii) duly executed by the parties indicated thereon; and

(xiv) with respect to the Guarantors, a certificate of the Secretary or Assistant Secretary (or equivalent officer) of such Guarantor certifying that attached thereto are true and complete copies of all resolutions adopted by such

Guarantor's board of directors or applicable governing body authorizing the execution, delivery and performance of the Restrictive Covenant Agreement and Guaranty to which the Guarantor is a party, and certifying the names and signatures of the officers of the Guarantor authorized to sign such Restrictive Covenant Agreement or Guarantor.

(b) At the Closing, Buyer shall deliver or cause to be delivered to Seller the following:

(i) the Estimated Cash Consideration by wire transfer of immediately available funds to an account designated in writing by the Seller;

(ii) the Promissory Note, duly executed by Buyer;

(iii) evidence reasonably satisfactory to Seller that the Shares issued to Seller as the Stock Consideration have been duly and validly issued and that such Shares have been approved for listing on the NASDAQ Stock Market;

(iv) evidence reasonably satisfactory to Seller of book-entry credits in the name of Seller, evidencing the issuance of the Shares issued as the Stock Consideration as of the Closing Date, with a Direct Registration Transaction Advice evidencing the issuance of the Shares to be delivered to Seller within two (2) Business Days of the Closing Date;

(v) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Buyer certifying that attached thereto are true and complete copies of all resolutions adopted by Buyer authorizing the execution, delivery and performance of this Agreement and the Transaction Documents (to the extent the Buyer is party thereto) and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby;

(vi) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Buyer certifying the names and signatures of the officers of Buyer authorized to sign this Agreement, the Transaction Documents and the other documents to be delivered hereunder and thereunder;

(vii) the Restrictive Covenant Agreements, duly executed by the Buyer;

(viii) the Investor Rights Agreement, duly executed by the Buyer;

(ix) the Pledge Agreement, duly executed by the Buyer; and

(x) the Subordination Agreement, duly executed by the Buyer.

2.4 Adjustment to Purchase Price.

(a) **Closing Adjustment**. At least one Business Day before the Closing, the Company shall have prepared and delivered to Buyer a statement executed by an authorized officer of the Company (the "**Company Closing Certificate**"), setting forth its good faith estimate of the Cash Consideration (such estimate, the "**Estimated Cash Consideration**"), including a summary showing in reasonable detail each calculation of the components thereof. The parties agree that the Estimated Cash Consideration is $12,756,867.

(b) **Post-Closing Adjustment**.

(i) Within forty-five (45) days after the Closing Date, Buyer shall deliver to Seller a statement, certified by an authorized officer of the Buyer, setting forth Buyer's good faith calculation of the Cash Consideration, along with a summary showing in reasonable detail each calculation of the components thereof (the "**Closing Statement**"). The Closing Statement will be prepared in a manner consistent with the definitions of the terms Cash on Hand, Indebtedness, Working Capital, Bonus Amounts and Selling Expenses and the accounting principles and practices referred to therein. The Closing Statement will entirely disregard (A) any and all effects on the assets or liabilities of the Company and its Subsidiaries as a result of the transactions contemplated hereby or of any financing or refinancing arrangements entered into at any time by Buyer or any other transaction entered into by Buyer in connection with the consummation of the transactions contemplated hereby and (B) any of the plans, transactions or changes which Buyer intends to initiate or cause to be initiated or made after Closing with respect to the Company and its Subsidiaries or their business or assets, or any facts or circumstances that are unique or particular to Buyer or any of its assets or liabilities.

(ii) After receipt of the Closing Statement, Seller shall have forty-five (45) days (the "**Review Period**") to review the Closing Statement. During the Review Period, Seller and its accountants and representatives shall have full access to the books and records of the Company, the personnel of, and work papers prepared by, the Company and/or its accountants or representatives for the purpose of reviewing the Closing Statement and to such historical financial information and other information (to the extent in Buyer's control or possession) relating to the Closing Statement as Seller may reasonably request for the purpose of reviewing the Closing Statement and to prepare a Statement of Objections (defined below), provided, that such access shall be in a manner that does not materially interfere with the normal business operations of Buyer or the Company.

(iii) On or prior to the last day of the Review Period, the Seller may object to the Closing Statement by delivering to Buyer a written statement setting forth its objections in reasonable detail, indicating each disputed item or amount and the basis for its disagreement therewith (the "**Statement of Objections**"). If the Seller fails to deliver the Statement of Objections before the expiration of the Review Period, the Closing Statement and the Post-Closing Adjustment, as the

case may be, reflected in the Closing Statement shall be deemed to have been accepted by the Seller. If the Seller delivers the Statement of Objections before the expiration of the Review Period, the Buyer and the Seller shall negotiate in good faith to resolve such objections within thirty (30) days after the delivery of the Statement of Objections (the "**Resolution Period**"), and, if the same are so resolved within the Resolution Period, the Post-Closing Adjustment and the Closing Statement with such changes as may have been previously agreed in writing by the Buyer and the Seller, shall be final and binding.

(iv) If the Seller and the Buyer fail to reach an agreement with respect to all of the matters set forth in the Statement of Objections before expiration of the Resolution Period, then any amounts remaining in dispute (the "**Disputed Amounts**", with any amounts not so disputed being the "**Undisputed Amounts**"), shall be submitted for resolution to the office of an impartial nationally recognized firm of independent certified public accountants, as may be mutually acceptable to the Buyer and the Seller (the "**Independent Accountant**"), who, acting as experts and not arbitrators, shall resolve the Disputed Amounts only and make any adjustments to the Post-Closing Adjustment, as the case may be. The Independent Accountant will make its determination based solely on presentations by Buyer and Seller that are in accordance with the guidelines and procedures set forth in this Agreement (*i.e.*, not on the basis of an independent review). The parties hereto agree that all adjustments shall be made without regard to materiality. The Independent Accountant shall only decide the specific items under dispute by the parties and their decision for each Disputed Amount must be within the range of values assigned to each such item in the Closing Statement and the Statement of Objections, respectively. The Independent Accountant shall make a determination as soon as practicable within thirty (30) days (or such other time as the parties hereto shall agree in writing) after its engagement, and its resolution of the Disputed Amounts and its adjustments to the Post-Closing Adjustment shall be conclusive and binding, absent manifest error, upon the parties hereto.

(v) The fees and expenses of the Independent Accountant shall be paid by the Seller, on the one hand, and by the Buyer, on the other hand, based upon the percentage that the amount actually contested but not awarded to the Seller or the Buyer, respectively, bears to the aggregate amount actually contested by the Seller and the Buyer.

(vi) The "**Post-Closing Adjustment**" means an amount equal to the Final Cash Consideration minus the Estimated Cash Consideration.

(c) **Resolution of Post-Closing Adjustment**. If the Post-Closing Adjustment is a positive number, then, within five (5) Business Days after determination of the Final Cash Consideration, Buyer will pay to Seller, by wire transfer of immediately available funds, an amount equal to such excess. If the Post-Closing Adjustment is a negative number, then, within five (5) Business Days after determination of the Final Cash

Consideration, Seller will pay to Buyer, by wire transfer of immediately available funds, an amount equal to such shortfall.

(d) **Adjustments for Tax Purposes**. Any adjustments made pursuant to Section 2.4 shall be treated as an adjustment to the Purchase Price by the parties for Tax purposes, unless otherwise required by Law.

2.5 Payoff of Indebtedness and Other Payables. At the Closing, Buyer shall pay, or cause to be paid, on behalf of the Company, the amounts of Indebtedness indicated in the payoff letters delivered pursuant to Section 2.3(a)(viii), the Seller Expenses, the Bonus Amounts and any other amounts agreed to by Seller and Buyer in writing to be payable in connection with the Closing under this Agreement, in each case by wire transfer of immediately available funds to the Persons or bank accounts specified in such payoff letters or other written instructions.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the Disclosure Schedule delivered by the Company to the Buyer concurrently with the execution of this Agreement (the "**Company Disclosure Schedule**"), the Company represents and warrants to the Buyer that the statements contained in this Article III are true and correct as of the date of this Agreement and as of the Effective Time.

3.1 Organization and Qualification of the Company. The Company and each Subsidiary of the Company (each a "Company Subsidiary" and together, the "Company Subsidiaries") is a corporation or limited liability company, as the case may be, duly organized, validly existing and in good standing under the Laws of the state of its incorporation or formation and has full corporate or limited liability company power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it is currently conducted. The Company and each Company Subsidiary is licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or qualification necessary, except where the failure to be so licensed, qualified or in good standing has not had, and is not reasonably likely to have, a Company Material Adverse Effect.

3.2 Authority. The Company has full corporate power and authority to enter into and perform its obligations under this Agreement and the Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by the Company of this Agreement and any Transaction Document to which it is a party and the consummation by the Company of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of the Company and no other corporate proceedings on the part of the Company are necessary to authorize the execution, delivery and performance of this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Company, and (assuming due authorization, execution and delivery by each other party hereto) this Agreement constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforceability may be limited by

bankruptcy, insolvency, fraudulent conveyance, reorganization or moratorium laws or other similar Laws affecting creditors rights and general principles of equity affecting the availability of specific performance and other equitable remedies.

3.3 No Conflicts; Consents. Except as set forth on Schedule 3.3 of the Company Disclosure Schedule, the execution, delivery and performance by the Company of this Agreement and the Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (i) conflict with or result in a violation or breach of, or default under, any provision of the Charter Documents of the Company or any of its Company Subsidiaries; (ii) conflict with or result in a material violation or material breach of any provision of any Law or Governmental Order applicable to the Company; (iii) (A) require the consent, notice or other action by any Person under, (B) conflict with, (C) result in a material violation or material breach of, (D) constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under or (E) result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel (1) any Material Contract to which the Company or any of its Company Subsidiaries is a party or by which the Company or any of its Company Subsidiaries is bound or to which any of their respective properties and assets are subject or (2) any material Permit affecting the properties, assets or business of the Company or any of its Company Subsidiaries; or (iv) result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on any properties or assets of the Company or any of its Company Subsidiaries. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to the Company or any of its Company Subsidiaries in connection with the execution, delivery and performance of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby.

3.4 Capitalization. Schedule 3.4 of the Company Disclosure Schedule sets forth a true, correct and complete list of all the authorized and outstanding interests of the Company and each Company Subsidiary, together with the holders of record of each of such interests. There are no outstanding (i) securities convertible into or exchangeable or exercisable for any equity or voting interest in, any of the Company or any Company Subsidiary; (ii) options, warrants, calls, rights, profits interests, equity appreciation rights or other rights or arrangements obligating any of the Company or any Company Subsidiary to acquire or issue any equity or voting interest in, or any securities convertible into or exchangeable for any equity or voting interest (including any voting debt) in, the Company or any Subsidiary; (iii) contingent value rights, "phantom" interests or similar securities or rights that are derivative of, or provide economic benefits based on the value or price of, any equity interest of, or other securities or ownership interests in, the Company or any Company Subsidiary or (iv) obligations of the Company or any Company Subsidiary to grant, extend or enter into any subscription, warrant, right, convertible or exchangeable security, or other similar contract relating to any capital stock of, or other equity interests (including any voting debt).

3.5 Subsidiaries. Schedule 3.5 of the Company Disclosure Schedule contains a complete and accurate list of the name and jurisdiction of organization of each Company Subsidiary. There are no outstanding contractual obligations of the Company or any Company Subsidiary to repurchase, redeem or otherwise acquire any Company Subsidiary securities. Each outstanding equity interest of each Company Subsidiary is duly authorized, validly issued, fully

paid and, to the extent such concept is applicable, nonassessable, not subject of any preemptive rights, and free of any Encumbrances (except for Permitted Encumbrances). Except for the Company Subsidiaries, the Company does not directly or indirectly own any equity interest in, or any interest convertible into or exchangeable or exercisable for any equity interest in, any corporation, partnership, joint venture or other business association or entity.

3.6 Financial Statements. Schedule 3.6 of the Company Disclosure Schedule contains true, correct and complete copies of the following financial statements: the consolidated balance sheet of the Seller dated March 31, 2017 and the consolidated statements of income and cash flow of the Seller for the three month period ending March 31, 2017 (collectively, the "**Interim Financial Statements**") and the audited consolidated balance sheet of the Seller as December 31, 2014, December 31, 2015 and December 31, 2016 and the related consolidated statements of operations and members' equity and cash flow for the years then ended (the "**Financial Statements**"). Each of the Interim Financial Statements and the Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the period involved (subject, in the case of the unaudited financial statements to (x) the absence of footnote disclosures and other presentation items, and (y) changes resulting from normal year-end adjustments). The Interim Financial Statements and the Financial Statements are consistent with and are based on the books and records of the Seller and its Subsidiaries, and fairly present in all material respects the financial condition of the Seller and its Subsidiaries as of the respective dates they were prepared and the results of the operations of the Seller and its Subsidiaries for the periods indicated. The Interim Financial Statements and the Financial Statements have been prepared in accordance with GAAP, consistently applied, subject to, in the case of the Interim Financial Statements, the absence of (i) footnote disclosures and other presentation items and (ii) changes resulting from normal year-end adjustments (none of which would, alone or in the aggregate, would reasonably be expected to cause a Company Material Adverse Effect. The balance sheet of the Seller as of March 31, 2017 is referred to in this Agreement as the "**Balance Sheet**" and the date thereof as the "**Balance Sheet Date.**" The Seller maintains and complies in all material respects with a system of accounting controls sufficient to provide commercially reasonable assurances that material transactions are recorded as necessary to permit preparation of financial statements in conformity in all material respects with GAAP.

3.7 Undisclosed Liabilities. Except as set forth on Schedule 3.7 of the Company Disclosure Schedule, neither the Company nor any Company Subsidiaries have any material liabilities (contingent or otherwise), except for (i) performance obligations under contracts described in Schedule 3.9(a) of the Company Disclosure Schedule or under contracts entered into in the ordinary course of business which are not required to be described on Schedule 3.9(a) of the Company Disclosure Schedule, none of which involves non-performance or a breach, (ii) liabilities reflected on the face of the Balance Sheet, (iii) liabilities of the type set forth on the face of the Balance Sheet which have arisen after the Balance Sheet Date in the ordinary course of business (none of which is a liability for breach of contract or involves a tort, infringement, lawsuit, warranty or environmental, health or safety matter) or (iv) liabilities set forth on Schedule 3.7 of the Company Disclosure Schedule.

3.8 Absence of Certain Changes, Events and Conditions. Except as set forth on Schedule 3.8 of the Company Disclosure Schedule, since the Balance Sheet Date and prior to the date of this Agreement, and other than in the ordinary course of business consistent with past

practice, there has not been, with respect to the Company or any of its Company Subsidiaries, any:

(a) event, occurrence or development that has had, or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect;

(b) amendment of the charter, by-laws or other organizational documents of the Company;

(c) split, combination or reclassification of any shares of its equity interests;

(d) issuance, sale or other disposition of any of its equity interests or grant of any options, warrants or other rights to purchase or obtain (including upon conversion, exchange or exercise) any of its equity interests;

(e) declaration or payment of any non-cash dividends or distributions on or in respect of any of its equity interests or redemption, purchase or acquisition of its equity interests;

(f) material change in any method of accounting or accounting practice, except as required by GAAP or as disclosed in the notes to the Financial Statements;

(g) material change in its policies, practices and procedures with respect to collection of accounts receivable, establishment of reserves for uncollectible accounts, accrual of accounts receivable, inventory control, prepayment of expenses, payment of trade accounts payable, accrual of other expenses, deferral of revenue and acceptance of customer deposits;

(h) entry into any Contract that would constitute a Material Contract;

(i) termination of any Contract with any Service Bureau or receipt of notice from any Service Bureau that it intends to terminate its Contract or relationship with the Company or any Company Subsidiary;

(j) incurrence, assumption or guarantee of any indebtedness for borrowed money except unsecured current obligations and Liabilities incurred in the ordinary course of business consistent with past practice;

(k) except in the ordinary course of business, transfer, assignment, sale or other disposition of any of the assets shown or reflected in the Balance Sheet or cancellation of any debts or entitlements;

(l) transfer, assignment or grant of any license or sublicense of any material rights under or with respect to any Company Intellectual Property, except for nonexclusive licenses granted in the ordinary course of business.

(m) damage, destruction or loss (whether or not covered by insurance) to any material portion of its property;

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

(o) acceleration, termination, material modification to or cancellation of any Material Contract;

(p) any capital expenditures in excess of $75,000, either individually or in the aggregate;

(q) imposition of any Encumbrance other than a Permitted Encumbrance upon any of the Company properties, capital stock or assets, tangible or intangible;

(r) (i) grant of any bonuses, whether monetary or otherwise, or increase in any wages, salary, severance, pension or other compensation or benefits in respect of its current or former employees, officers, directors, individual independent contractors or consultants, other than in the ordinary course of business or as provided for in any written agreements or required by applicable Law, (ii) change in the terms of employment for any employee or any termination of any employee for which the aggregate costs and expenses exceed $25,000 per affected employee per year, or (iii) action to accelerate the vesting or payment of any compensation or benefit for any current or former employee, officer, director, independent contractor or consultant;

(s) adoption, modification or termination of any: (i) employment, severance, retention or other similar agreement with any current or former employee, officer, director, individual independent contractor or consultant (other than offer or engagement letters in the ordinary course of business that do not provide for severance compensation), (ii) Benefit Plan (other than in the ordinary course of business) or (iii) collective bargaining or other agreement with a Union, in each case whether written or oral;

(t) entry into a new line of business or abandonment or discontinuance of existing lines of business;

(u) adoption of any plan of merger, consolidation, reorganization, liquidation or dissolution or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against it under any similar Law;

(v) purchase, lease or other acquisition of the right to own, use or lease any property or assets for an amount in excess of $25,000, individually (in the case of a lease, per annum) or $100,000 in the aggregate (in the case of a lease, for the entire term of the lease, not including any option term), except for purchases of inventory or supplies in the ordinary course of business consistent with past practice;

(w) acquisition by merger or consolidation with, or by purchase of a substantial portion of the assets or stock of, or by any other manner, any business or any Person or any division thereof;

(x) action by the Company to change or rescind any Tax election, amend any Tax Return or take any position on any Tax Return, take any action, omit to take any

action or enter into any other transaction outside the ordinary course of business that would have the effect of materially increasing the Tax liability or materially reducing any Tax asset of Buyer in respect of any Post-Closing Tax Period; or

(y) any Contract to do any of the foregoing, or any action or omission that would result in any of the foregoing.

3.9 Material Contracts.

(a) Schedule 3.9(a) of the Company Disclosure Schedule lists each of the following Contracts of the Company and any Company Subsidiary (such Contracts, together with all Contracts set forth in Schedule 3.10(b) of the Company Disclosure Schedule and all Company IP Agreements set forth in Shedule 3.12(b) of the Company Disclosure Schedule, being "**Material Contracts**"):

(i) all Contracts with any Material Customer or Material Supplier;

(ii) all Contracts that require the Company or any Company Subsidiary to purchase its total requirements of any product or service from a third party or that contain "take or pay" provisions;

(iii) all Contracts entered into outside of the ordinary course of business that provide for the indemnification by the Company or any Company Subsidiary of any Person or the assumption of any Tax, environmental or other Liability of any Person;

(iv) all Contracts that relate to the acquisition or disposition of any business, a material amount of stock or assets of any other Person or any real property (whether by merger, sale of stock, sale of assets or otherwise);

(v) all broker, distributor, dealer, manufacturer's representative, franchise, agency, sales promotion, market research, marketing consulting and advertising Contracts;

(vi) all employment agreements and Contracts with individual independent contractors or consultants (or similar arrangements), in each case, providing for base annual compensation in excess of $100,000;

(vii) except for Contracts relating to trade receivables or relating to Indebtedness that will be paid off at or prior to Closing, all Contracts relating to Indebtedness (including, without limitation, guarantees) of the Company or any Company Subsidiary;

(viii) all Contracts with any Governmental Authority;

(ix) all Contracts that limit or purport to limit the ability of the Company or any Company Subsidiary to compete in any line of business or with any Person or in any geographic area or during any period of time;

(x) any Contracts that provide for any joint venture, partnership or similar arrangement;

(xi) all collective bargaining agreements or Contracts with any Union; and

(xii) each Contract not previously disclosed in this Section 3.9, requiring future payments in fiscal year 2017 to a vendor in excess of $200,000 and which, in each case, cannot be cancelled by the Seller or a Company Subsidiary, without penalty or without more than ninety (90) days' notice.

(b) Each Material Contract is valid and binding on the Company or Company Subsidiary, as applicable, in accordance with its terms and is in full force and effect. None of the Company nor any Company Subsidiary nor, to the Company's Knowledge, any other party thereto is in material breach of or material default under, and neither the Company nor any Company Subsidiary has received written notice alleging that it is in material breach of or material default under, or has provided or received any notice of any intention to terminate, any Material Contract. No event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any Material Contract or result in a termination thereof or would cause or permit the acceleration of any right or obligation or the loss of any benefit thereunder. Complete and correct copies of each Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to Buyer.

3.10 Title to Assets; Real Property.

(a) The Company and the Company Subsidiaries have good and valid (and, in the case of owned Real Property, good and marketable fee simple) title to, or a valid leasehold interest therein or valid right to use, all Real Property and personal property and other assets reflected in the Financial Statements or acquired after the Balance Sheet Date other than properties and assets sold or otherwise disposed of in the ordinary course of business consistent with past practice since the Balance Sheet Date. All such properties and assets (including leasehold interests) are free and clear of Encumbrances except for the following (collectively referred to as "**Permitted Encumbrances**"):

(i) those items set forth in Schedule 3.10(a) of the Company Disclosure Schedule;

(ii) liens for Taxes not yet due and payable or which are being contested by appropriate proceedings;

(iii) mechanics, carriers', workmen's, repairmen's or other like liens arising or incurred in the ordinary course of business consistent with past practice or amounts that are (A) not delinquent or (B) which are being contested by appropriate proceedings and which are not, individually or in the aggregate, material to the business of the Company;

(iv) zoning, building codes, ordinances and other land use Laws regulating the use or occupancy of any Real Property or the activities conducted thereon which are imposed by any governmental authority having jurisdiction over such Real Property which are not violated by the current use or occupancy of such Real Property or any violation of which would not have a material adverse effect on the Business;

(v) easements, rights of way and other similar encumbrances affecting Real Property and matters which would be disclosed on an ALTA survey which do not, individually or in the aggregate, material to the business of the Company;

(vi) other than with respect to owned Real Property, liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business consistent with past practice which are not, individually or in the aggregate, material to the business of the Company;

(vii) nonexclusive licenses of Intellectual Property;

(viii) Encumbrances arising under worker's compensation, unemployment insurance, social security, retirement and similar legislation;

(ix) purchase money liens and liens securing rental payments under capital lease arrangements;

(x) Encumbrances arising under applicable securities Laws;

(xi) Encumbrances that will be terminated at or prior to Closing; or

(xii) other Encumbrances arising in the ordinary course of business and not incurred in connection with Indebtedness or the borrowing of money.

(b) Schedule 3.10(b) of the Company Disclosure Schedule lists (i) the street address of each parcel of Real Property; and (ii) if such property is leased or subleased by the Company or Company Subsidiary, the landlord or tenant under the lease or sublease, the rental amount currently being paid, and the expiration of the term of such lease or sublease for each leased or subleased property. With respect to leased or subleased Real Property, the Company has delivered or made available to Buyer true, complete and correct copies of such leases and subleases affecting such Real Property. Neither the Company nor any Company Subsidiary is a sublessor or grantor under any sublease or other instrument granting to any other Person any right to the possession, lease, occupancy or enjoyment of any leased Real Property. The use and operation of the Real Property in the conduct of the business of the Company or any Company Subsidiary does not violate in any material respect any Law, covenant, condition, restriction, easement, license, permit or agreement. There are no Actions pending nor, to the Company's Knowledge, threatened against or affecting the Real Property or any portion thereof or interest therein in the nature or in lieu of condemnation or eminent domain proceedings.

3.11 Condition And Sufficiency of Assets. The buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other material items of tangible personal property of the Company or any Company Subsidiary are in good operating condition and repair, and are adequate for the uses to which they are being put, and none of such buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost. The buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property currently owned or leased by the Company or any Company Subsidiary, together with other tangible properties and tangible assets of the Company, are the tangible properties and tangible assets used in the conduct of the business of the Company or any Company Subsidiary as conducted on the Closing Date.

3.12 Intellectual Property.

(a) Schedule 3.12(a) of the Company Disclosure Schedule lists all Company IP Registrations. All required filings and fees related to the Company IP Registrations have been timely filed with and paid to the relevant Governmental Authorities and authorized registrars, and all Company IP Registrations are otherwise in good standing.

(b) Schedule 3.12(b) of the Company Disclosure Schedule lists all Company IP Agreements, excluding nonexclusive licenses granted to customers in the ordinary course of business and licenses by the Company or any Company Subsidiary commercially available, off-the-shelf software of third parties.

(c) Except as set forth on Schedule 3.12(c) of the Company Disclosure Schedule, the Company is the sole and exclusive legal and beneficial, and with respect to the Company IP Registrations, record, owner of all right, title and interest in and to the Company Intellectual Property, and, to the Company's Knowledge, has the valid right to use all other Intellectual Property used in or necessary for the conduct of the current business or operations of the Company or any Company Subsidiary, in each case, free and clear of Encumbrances other than Permitted Encumbrances. Without limiting the generality of the foregoing, the Company or a Company Subsidiary has entered into binding, written agreements with every current and former employee, and with every current and former independent contractor, in each case who has developed any material Company Intellectual Property, whereby such employees and independent contractors (i) assign to the Company any ownership interest and right they may have in the Company Intellectual Property developed by them; and (ii) acknowledge the Company's exclusive ownership of all Company Intellectual Property.

(d) The consummation of the transactions contemplated under this Agreement will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other Person in respect of, the Company's right to own, use or hold for use any Intellectual Property as owned, used or held for use in the conduct of the business or operations of the Company or any Company Subsidiary as currently conducted.

(e) The Company's and Company Subsidiaries' rights in the Company Intellectual Property are subsisting and, to the Company's Knowledge, valid and enforceable. The Company and each Company Subsidiary has taken reasonable security measures to protect the secrecy, confidentiality and value of all trade secrets owned by the Company or any Company Subsidiary or used or held for use by the Company or any Company Subsidiary (the "**Company Trade Secrets**"), including, without limitation, requiring each employee and consultant of the Company or any Company Subsidiary and any other Person with access to Company Trade Secrets to execute a binding confidentiality agreement and, to the Knowledge of the Company, there has not been any breach by any party to such confidentiality agreements. All employees and consultants of the Company and any Company Subsidiary have executed confidentiality agreements substantially in the form provided to the Buyer and, to the Company's Knowledge, such confidentiality agreements are valid and binding on each employee and consultant.

(f) To the Company's Knowledge, the conduct of the business of the Company and each Company Subsidiary as currently conducted and as conducted in the past three (3) years, and the products, processes and services of the Company and each Company Subsidiary, have not, in the past three (3) years, infringed, misappropriated, diluted or otherwise violated, and do not infringe, dilute, misappropriate or otherwise violate the Intellectual Property or other rights of any Person. To the Company's Knowledge, no Person has, in the past three (3) years, infringed, misappropriated, diluted or otherwise violated, or is currently infringing, misappropriating, diluting or otherwise violating, any Company Intellectual Property.

(g) There are no Actions (including any oppositions, interferences or re-examinations) pending or threatened in writing (including in the form of offers to obtain a license): (i) alleging any infringement, misappropriation or dilution of any Company Intellectual Property; (ii) challenging the validity, enforceability, registrability or ownership of any Company Intellectual Property or the Company's rights with respect to any Company Intellectual Property; or (iii) by the Company or any other Person alleging any infringement, misappropriation, dilution or violation by any Person of the Company Intellectual Property. Neither the Company nor any Company Subsidiary is subject to any outstanding or prospective Governmental Order (including any motion or petition therefor) that does or would restrict or impair the use of any Company Intellectual Property.

(h) Except as set forth on Schedule 3.12(h) of the Company Disclosure Schedule, the Company and each Company Subsidiary complies, and has in the past three (3) years complied in all material respects, with all (i) all applicable Laws, (ii) contractual obligations with respect to Personal Information, and (iii) internal and public-facing privacy and/or security policies of the Company and each Company Subsidiary (collectively, "**Privacy Laws and Requirements**"), in each case with respect to (A) the privacy of users of any of each of the Seller and Company Subsidiaries' web properties, products and/or services; (B) the collection, use, storage, retention, disclosure, transfer, disposal, or any other processing of any Personal Information collected or used by each of the Seller and the Company Subsidiaries; and (C) the transmission of marketing and/or commercial messages through any means, including, without limitation, via email, text

message and/or any other means. Each Seller and Company Subsidiary maintains privacy policies that describe their respective policies with respect to the collection, use, storage, retention, disclosure, transfer, disposal or other processing of Personal Information. True and correct copies of all such privacy policies have been made available to Buyer. There is no complaint to, or, to the Company's Knowledge, any audit, proceeding, investigation (formal or informal) or claim currently pending against, any Company or Company Subsidiary by any private party, the Federal Trade Commission, any state attorney general or similar state official, or any other Governmental Authority, foreign or domestic, with respect to the collection, use, retention, disclosure, transfer, storage or disposal of Personal Information. Each Seller and Company Subsidiary has at all times in the past three (3) years taken all steps reasonably necessary to protect Personal Information against loss and against unauthorized access, use, modification, disclosure or other misuse. To the Company's Knowledge, there has been no unauthorized access to, disclosure of and/or other misuse of any Personal Information collected by or on behalf of the Seller and the Company Subsidiaries nor to the Company's Knowledge has there been any breach in security of any of the information systems used to store or otherwise process any such Personal Information.

(i) Except as disclosed on Schedule 3.12(i) of the Company Disclosure Schedule, neither the Company, any Company Subsidiary nor, to the Company's Knowledge, any third party acting on its or their behalf has transferred any Personal Information across any international borders.

(j) Neither the Company nor any Company Subsidiary is a "business associate" as defined in 45 CFR §160.103, nor has the Company or any Company Subsidiary entered any Contract designating the Company or Company Subsidiary as a "business associate."

(k) Except as set forth on Schedule 3.12(k) of the Company Disclosure Schedule, neither the Seller nor any Company Subsidiary has granted, directly or indirectly, any current or contingent rights, licenses or interests in or to any source code of the Company Software, and no Company or Company Subsidiary has provided or disclosed any source code of the Company Software to any Person.

(l) Except as set forth on Schedule 3.12(l) of the Company Disclosure Schedule, the Company Software performs in all material respects in accordance with its documented specifications and as the Company and the Company Subsidiaries have warranted to the Service Bureaus and other customers of the Business.

(m) Each Service Bureau or other customer who uses the Company Software is a party to a license agreement with the Company or Company Subsidiary, forms of which license agreements have been provided to Buyer. Except as set forth on Schedule 3.12(m) of the Company Disclosure Schedule, to the Company's Knowledge, each Service Bureau is using the Company Software in compliance with all applicable Laws.

(n) Neither the Company nor any Company Subsidiary has introduced into the Company Software and the Company Software does not contain any "viruses", "worms", "time-bombs", "key-locks", or any other devices created that could disrupt or interfere with the operation of the Company Software or equipment upon which the Company Software operates, or the integrity of the data, information or signals the Company Software produces or is used to manage and maintain other than devices, tools or code enabling the Company, Company Subsidiary or other authorized administrators to disable or control access to Company Software or to perform other administrative or security-related activities ("**Contaminants**"). The Company Software does not include or install any spyware, adware, or other similar software that monitors the use of the Company Software or contacts any remote computer except those that have been disclosed by the Company or a Company Subsidiary to their respective licensees.

(o) The Company and each Company Subsidiary has taken commercially reasonable steps, including by implementing and enforcing commercially reasonable policies, designed to (i) identify Open Source Software used by the Company or a Company Subsidiary or otherwise included in the Company Software, and (ii) regulate the use, modification, and distribution of Open Source Software in connection with the operation of the Business. The Company and Company Subsidiaries have not used Free and Open Source Software in any manner that (i) requires the disclosure or distribution in source code form of any Company Intellectual Property, including any portion of any Company Software other than such unmodified Free and Open Source Software, (ii) requires the licensing of any Company Intellectual Property, or any portion of any Company Software other than such Free and Open Source Software, for the purpose of making derivative works, (iii) imposes any restriction on the consideration to be charged for the distribution of any Company Intellectual Property, (iv) creates any obligation for the Company or any Company Subsidiary with respect to Company Intellectual Property or grants to any third Person, any rights or immunities under Company Intellectual Property, or (v) imposes any other limitation, restriction or condition on the right of the Company or any Company Subsidiary to use or distribute any Company Intellectual Property. With respect to any Open Source Software that is used by the Company or Company Subsidiary in the operation of its Business, such Company or Company Subsidiary is in compliance with all applicable licenses with respect thereto.

(p) Neither the Company nor any Company Subsidiary have used any funding, facilities or personnel of any educational institution or Governmental Authority to develop or create, in whole or in part, any Company Intellectual Property, including any Product or Company Software. No Company or Company Subsidiary is and has never been a member or promoter of, or a contributor to, any industry standards body or similar organization which, as a result thereof, has a legal right to compel such Company or Company Subsidiary to grant or offer to any third Person any license or right to Company Intellectual Property, including the Company Software.

(q) Except as set forth on Schedule 3.12(q) of the Company Disclosure Schedule, the Company and each Company Subsidiary have taken commercially reasonable steps to protect the information technology systems currently used in connection with the operation of such Company or Company Subsidiary ("**IT Systems**")

from Contaminants. The IT Systems, as a whole, are adequate and satisfactory in all material respects for the conduct of the Business as currently conducted. The IT Systems have not suffered any failures or defects that would reasonably be expected to have a Material Adverse Effect. To the Company's Knowledge, there have been no material breaches of the security of the Company or any Company Subsidiary's IT Systems and the data and information which they store or process has not been corrupted in any discernible and material manner or accessed without the Company or any Company Subsidiary's authorization. Each of the Company and Company Subsidiaries has in place commercially reasonable disaster recovery and business continuity plans, procedures and facilities.

(r) The Company and the Company Subsidiaries make use of security and intrusion detection devices on its and their respective IT Systems and the Company Software and monitor network traffic and activity for unauthorized or malicious activity. Except as set forth on Schedule 3.12(r) of the Company Disclosure Schedule, during the last two (2) years, no such security, intrusion detection or monitoring has discovered an intrusion on the Company or the Company Subsidiaries' network that was likely to or did cause a Company Material Adverse Effect.

(s) The Company and Company Subsidiaries have written policies related to information security. The Company has delivered copies of the information security policies to the Buyer. The Company and the Company Subsidiaries are in material compliance with the information security policies and have maintained an incident handling program to handle any security breaches. Schedule 3.12(s) of the Company Disclosure Schedule sets forth all incidences of material security breaches with respect to the IT Systems and Company Software since January 1, 2015 and describes how the security breach was discovered and resolved.

3.13 Accounts Receivable. The accounts receivable reflected on the Balance Sheet and the accounts receivable arising after the date thereof (a) have arisen from bona fide transactions entered into by the Company or any of its Company Subsidiaries involving the sale of goods or the rendering of services in the ordinary course of business consistent with past practice; and (b) constitute valid claims of the Company or any Company Subsidiary and, to the Company's Knowledge, are not subject to claims of set-off or other defenses or counterclaims other than normal cash discounts accrued in the ordinary course of business consistent with past practice. The reserve for bad debts shown on the Balance Sheet or, with respect to accounts receivable arising after the Balance Sheet Date, on the accounting records of the Company and the Company Subsidiaries have been determined in accordance with GAAP, consistently applied, subject to normal year-end adjustments and the absence of disclosures normally made in footnotes.

3.14 Customers and Suppliers.

(a) Schedule 3.14(a) of the Company Disclosure Schedule sets forth (i) the top twenty (20) customers of the Company and its Subsidiaries by volume of sales to such customers for the two most recent fiscal years (collectively, the "**Material Customers**"); and (ii) the amount of consideration paid by each Material Customer

during each of the two (2) most recent fiscal years. Neither the Company nor any Company Subsidiary has received any written notice that any of its Material Customers has ceased, or intends to cease after the Closing, to use its goods or services, including the license of Company Software, or to otherwise terminate its relationship with the Company or any Company Subsidiary.

(b) Schedule 3.14(b) of the Company Disclosure Schedule sets forth (i) the top twenty (20) suppliers of the Company and its Subsidiaries by consideration paid to such suppliers for the most recent fiscal year (collectively, the "**Material Suppliers**"); and (ii) the amount of purchases from each Material Supplier during each of the two (2) most recent fiscal years. Except as set forth on Schedule 3.14(b) of the Company Disclosure Schedule, neither the Company or nor any Company Subsidiary has received any written notice that any of its Material Suppliers has ceased, or intends to cease, to supply goods or services to the Company or any Company Subsidiary or to otherwise terminate its relationship with the Company or any Company Subsidiary.

3.15 Insurance. Schedule 3.15 of the Company Disclosure Schedule sets forth a true and complete list of all current policies or binders of fire, liability, product liability, umbrella liability, real and personal property, workers' compensation, vehicular, directors', and officers' liability, fiduciary liability and other casualty and property insurance maintained by Company and relating to the assets, business, operations, employees, officers and directors of the Company and each Company Subsidiary for the current policy year(collectively, the "**Insurance Policies**") and true and complete copies of such Insurance Policies have been made available to Buyer. Such Insurance Policies are in full force and effect and, to the Company's Knowledge, are not subject to termination as a result of the transactions The Company has not received any written notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of such Insurance Policies. All premiums due and payable on such Insurance Policies have either been paid or, if due and payable prior to Closing, will be paid prior to Closing in accordance with the payment terms of each Insurance Policy. The Insurance Policies do not provide for any retrospective premium adjustment or other experience-based liability on the part of the Company. All such Insurance Policies (a) are valid and binding in accordance with their terms; (b) to the Company's Knowledge, are provided by carriers who are financially solvent; and (c) to the Company's Knowledge, have not been subject to any lapse in coverage. There are no claims related to the business of the Company pending under any such Insurance Policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights. Neither the Company nor any Company Subsidiary is in default under, and has otherwise failed to comply with, in any material respect, any provision contained in any such Insurance Policy.

3.16 Legal Proceedings; Governmental Orders.

(a) There are no material Actions pending or, to the Company's Knowledge, threatened (a) against or by the Company or any Company Subsidiary materially affecting any of its properties or assets; or (b) against or by the Company or any Company Subsidiary that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

(b) There are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or materially affecting the Company or any Company Subsidiary or any properties or assets of Company or any Company Subsidiary.

3.17 Compliance With Laws; Permits.

(a) The Company and each Company Subsidiary has, for the past three (3) years complied, and is now complying, in each case in all material respects, with all Laws applicable to it or its business, properties or assets.

(b) All material Permits required for the Company and each Company Subsidiary to conduct its business have been obtained by it and are valid and in full force and effect. All fees and charges with respect to such Permits as of the date of this Agreement have been paid in full. Schedule 3.17(b) of the Company Disclosure Schedule lists all current Permits issued to the Company and each Company Subsidiary, including the names of the Permits and their respective dates of issuance and expiration. No event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Permit set forth in Schedule 3.17(b) of the Company Disclosure Schedule.

3.18 Employee Benefit Matters.

(a) Schedule 3.18(a) of the Company Disclosure Schedule contains a true and complete list of each material Benefit Plan. For purposes of this Agreement, the term "**Benefit Plan**" means each pension, benefit, retirement, compensation, profit-sharing, deferred compensation, incentive, bonus, performance award, phantom equity, stock or stock-based, change in control, retention, severance, vacation, paid time off, welfare, fringe-benefit and other similar agreement, plan, policy, program or arrangement (and any amendments thereto), in each case whether or not reduced to writing and whether funded or unfunded, including each "employee benefit plan" within the meaning of Section 3(3) of ERISA, whether or not tax-qualified and whether or not subject to ERISA, which is or has been maintained, sponsored, contributed to, or required to be contributed to by the Company or any Company Subsidiary for the benefit of any current or former employee, officer, director, retiree, individual independent contractor or consultant of the Company or any Company Subsidiary or any spouse or dependent of such individual, for which the Company or any Company Subsidiary has or would reasonably expect to have any Liability.

(b) With respect to each Benefit Plan, the Company has made available to Buyer accurate, current and complete copies of each of the following, where applicable: (i) where the Benefit Plan has been reduced to writing, the current plan document together with all amendments; (ii) where the Benefit Plan has not been reduced to writing, a written summary of all material plan terms; (iii) copies of the current trust agreements or other funding arrangements, custodial agreements, insurance policies and insurance contracts now in effect; (iv) copies of the current summary plan descriptions, summaries of material modifications thereto and employee handbooks relating to any

Benefit Plan; (v) in the case of any Benefit Plan that is intended to be qualified under Section 401(a) of the Code, a copy of the most recent determination, opinion or advisory letter from the Internal Revenue Service; (vi) in the case of any Benefit Plan for which a Form 5500 is required to be filed, a copy of the two (2) most recently filed Form 5500, with any applicable schedules and financial statements attached; (vii) actuarial valuations and reports related to any Benefit Plans with respect to the two (2) most recently completed plan years; (viii) the most recent nondiscrimination tests (if any) performed under the Code; and (ix) copies of material and non-routine notices, letters or other correspondence from the Internal Revenue Service, Department of Labor, Pension Benefit Guaranty Corporation or other Governmental Authority relating to the Benefit Plan.

(c) Each Benefit Plan and any related trust (other than any multiemployer plan within the meaning of Section 3(37) of ERISA (each a "**Multiemployer Plan**") complies in all material respects with all applicable Laws (including ERISA and the Code). Each Benefit Plan that is intended to be qualified within the meaning of Section 401(a) of the Code (a "**Qualified Benefit Plan**") has received a favorable determination letter from the Internal Revenue Service, or with respect to a prototype plan, can rely on an opinion letter from the Internal Revenue Service to the prototype plan sponsor with respect to the qualified status of such plan and the tax-exempt status of the trust related thereto under Sections 401(a) and 501(a), respectively, of the Code, and to the Company's Knowledge, nothing has occurred that could reasonably be expected to adversely affect the qualified status of any Qualified Benefit Plan. To the Company's Knowledge, nothing has occurred with respect to any Benefit Plan that has subjected or could reasonably be expected to subject the Company or any of Company Subsidiary to a penalty under Section 502 of ERISA or to a tax or penalty under Section 4975 of the Code. All benefits, contributions and premiums relating to each Benefit Plan have been timely paid in all material respects in accordance with the terms of such Benefit Plan.

(d) Neither the Company nor any of its ERISA Affiliates has incurred or reasonably expects to incur, either directly or indirectly, any material Liability under Title IV of ERISA, including with respect to any (i) failure to timely pay premiums to the Pension Benefit Guaranty Corporation; (ii) withdrawal from any Benefit Plan subject to Title IV of ERISA; or (iii) engagement in any transaction which would give rise to liability under Section 4069 or Section 4212(c) of ERISA.

(e) With respect to each Benefit Plan, (i) no such plan is a "multiple employer plan" within the meaning of Section 413(c) of the Code or a "multiple employer welfare arrangement" (as defined in Section 3(40) of ERISA); (ii) no Action has been initiated by the Pension Benefit Guaranty Corporation to terminate any such plan subject to Title IV of ERISA or to appoint a trustee for any such plan; and (iii) no "reportable event," as defined in Section 4043 of ERISA, has occurred with respect to any such plan subject to Title IV of ERISA.

(f) Each Benefit Plan can be amended, terminated or otherwise discontinued after the Closing in accordance with its terms. Except as required by applicable Law or the existing terms of a Benefit Plan, the Company has no obligation to adopt, amend,

modify or terminate any Benefit Plan or any collective bargaining agreement, in connection with the consummation of the transactions contemplated by this Agreement or otherwise.

(g) Other than as required under Section 601 et. seq. of ERISA or other applicable Law, no Benefit Plan provides post-termination or retiree welfare benefits to any individual for any reason, and neither the Company nor any of its ERISA Affiliates has any Liability to provide post-termination or retiree welfare benefits to any individual.

(h) There is no pending or, to the Company's Knowledge, threatened Action relating to a Benefit Plan (other than routine claims for benefits), and no Benefit Plan has within the two (2) years prior to the date of this Agreement been the subject of an examination or audit by a Governmental Authority or the subject of an application or filing under or is a participant in, an amnesty, voluntary compliance, self-correction or similar program sponsored by any Governmental Authority.

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

(j) Except as would not result in material liability to the Company or any Company Subsidiary, each individual who is classified by the Company as an individual independent contractor has been properly classified for purposes of participation and benefit accrual under each Benefit Plan.

(k) Neither the execution of this Agreement nor any of the transactions contemplated by this Agreement will (either alone or upon the occurrence of any additional or subsequent events): (i) entitle any current or former director, officer, employee, independent contractor or consultant of the Company or any Company Subsidiary to severance pay or any other payment; (ii) accelerate the time of payment, funding or vesting, or increase the amount of compensation due to any such individual; (iii) limit or restrict the right of the Company or Company Subsidiary to merge, amend or terminate any Benefit Plan; or (iv) increase the amount payable under or result in any other material obligation pursuant to any Benefit Plan;.

3.19 Employment Matters.

(a) Schedule 3.19(a) of the Company Disclosure Schedule contains a list of all natural persons who are employees of the Company or any Company or any Company Subsidiary as the end of the last payroll period immediately preceding the Closing Date, including any employee who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized, and sets forth for each such individual the following: (i) name; (ii) title or position (including whether full or part time); (iii) hire date; (iv) current

annual base compensation rate; and (v) commission, bonus or other incentive-based compensation. Except as would not result in material Liabilities for the Company or any Company Subsidiary, as of the Closing Date, all compensation, including wages, commissions and bonuses, that has come due and payable (which, for the avoidance of doubt, shall not include compensation which has accrued but has not yet come due and payable, including wages accrued following the date of the last payroll period immediately preceding the Closing Date or bonuses not yet due and payable) to all employees of the Company and each Company Subsidiary for services performed on or prior to the date of this Agreement have been paid in full.

(b) Schedule 3.19(b) of the Company Disclosure Schedule contains a list of all natural persons who are directly engaged by the Company or any Company Subsidiary as independent contractors and consultants as the end of month immediately preceding the Closing Date, and sets forth for each such individual the following: (i) name; (ii) services provided; (iii) rate of compensation; and (iv) whether the services are provided pursuant to a written agreement. Except as would not result in material Liabilities for the Company or any Company Subsidiary, as of the Closing Date, all fees that have come due and payable to such independent contractors and consultants have been paid in full (which, for the avoidance of doubt, shall not include fees which have accrued but have not yet come due and payable, including fees incurred following the date of the last invoice date).

(c) Neither the Company nor any Company Subsidiary is a party to, bound by, or negotiating any collective bargaining agreement or other Contract with a union, works council or labor organization (collectively, "**Union**"), and there is not any Union representing or purporting to represent any employee of the Company or any Company Subsidiary in connection with such employment, and, to the Company's Knowledge, no Union or group of employees is seeking or has sought in the last two (2) years to organize employees for the purpose of collective bargaining. In the past two (2) years, there has not been, nor, to the Company's Knowledge, has there been any threat of, any strike, slowdown, work stoppage, lockout, concerted refusal to work overtime or other similar material labor disruption or dispute against the Company or any Company Subsidiary.

(d) The Company is and for the past two (2) years has been in compliance in all material respects with all applicable Laws pertaining to employment and employment practices, including all Laws relating to labor relations, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights, immigration, wages, hours, overtime compensation, child labor, hiring, promotion and termination of employees, working conditions, meal and break periods, employee privacy, health and safety, workers' compensation, leaves of absence and unemployment insurance. Except as would not result in material Liabilities for the Company and the Company Subsidiaries, all individuals characterized and treated by the Company or any Company Subsidiary as independent contractors or consultants are properly treated as independent contractors under all applicable Laws. Except as would not result in material Liabilities for the Company and the Company Subsidiaries, all employees of the Company or any Company Subsidiary classified as exempt under the Fair Labor Standards Act and state and local

wage and hour laws are properly classified. There are no material Actions against the Company or any Company Subsidiary pending, or to the Company's Knowledge, threatened to be brought or filed, by or with any Governmental Authority or arbitrator in connection with the employment of any current or former applicant, employee, consultant or independent contractor of the Company or any Company Subsidiary, including, without limitation, any claim relating to unfair labor practices, employment discrimination, harassment, retaliation, equal pay, wage and hours or any other employment-related matter arising under applicable Laws.

3.20 Taxes. Except as set forth in Schedule 3.20 of the Company Disclosure Schedule:

(a) All Income Tax Returns required to be filed on or before the Closing Date by the Company or any Company Subsidiary have been, or will be, timely filed. Such Income Tax Returns are, or will be, true, complete and correct in all material respects. All Income Taxes due and owing by the Company and any Company Subsidiary (whether or not shown on any Tax Return) have been, or will be, timely paid, except where the failure to pay would not have a Company Material Adverse Effect.

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

(c) No written claim has been made within the past three (3) years by any taxing authority in any jurisdiction where the Company or any Company Subsidiary does not file Tax Returns that it is, or may be, subject to Tax by that jurisdiction.

(d) No extensions or waivers of statutes of limitations have been given or requested with respect to any Income Taxes of the Company or any Company Subsidiary.

(e) All material deficiencies asserted, or assessments made, against the Company or any Company Subsidiary as a result of any examinations by any taxing authority have been fully paid.

(f) Neither the Company nor any Company Subsidiary is a party to any material Action with respect to Income Taxes by any taxing authority. To the Knowledge of the Company, there are no pending or threatened Actions with respect to Income Taxes by any taxing authority.

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

(h) Neither the Company nor any Company Subsidiary is a party to, or bound by, any Tax sharing or Tax allocation agreement.

(i) To the Knowledge of the Company, neither the Company nor any Company Subsidiary has been a member of an affiliated, combined, consolidated or

unitary Tax group for Tax purposes (other than a group the common parent of which was the Company or Company Subsidiary). The Company has no Liability for Taxes of any Person (other than the Company) under Treasury Regulations Section 1.1502-6 (or any corresponding provision of state, local or foreign Law), as transferee or successor, by contract or otherwise.

(j) Neither the Company nor any Company Subsidiary will be required to include any item of income in, or exclude any item or deduction from, taxable income for taxable period or portion thereof ending after the Closing Date as a result of:

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

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

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

(iv) any closing agreement under Section 7121 of the Code, or similar provision of state, local or foreign Law; or

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

(k) Neither the Company nor any Company Subsidiary is, or has been, a United States real property holding corporation (as defined in Section 897(c)(2) of the Code) during the applicable period specified in Section 897(c)(1)(a) of the Code.

(l) Within the past three (3) years, neither the Company nor any Company Subsidiary has been a "distributing corporation" or a "controlled corporation" in connection with a distribution described in Section 355 of the Code.

(m) Neither the Company nor any Company Subsidiary is or has been a party to any "listed transaction" within the meaning of Section 6707A(c)(2) of the Code and Treasury Regulations Section 1.6011-4(b)(2).

3.21 Books and Records. The minute books and stock record books of the Company and each Company Subsidiary, all of which have been made available to Buyer, are complete and correct in all material respects. At the Closing, all of those books and records will be in the possession of the Company or the Buyer.

3.22 Related Party Transactions. Except as set forth on Schedule 3.22 of the Company Disclosure Schedule, no executive officer or director of the Company or any Person owning 5% or more of the equity interest of the Company (or any of such Person's immediate family members or Affiliates or associates) is a party to any Contract with or binding upon the Company or any Company Subsidiary or any of its assets, rights or properties or has any interest

in any material property owned by the Company or any Company Subsidiary or has engaged in any transaction with any of the foregoing within the last twelve (12) months.

3.23 No Material Adverse Effect. Since January 1, 2017, no fact, event or circumstance has occurred or arisen that, individually or in combination with any other fact, event or circumstance, has had or would reasonably be expected to have a Company Material Adverse Effect.

3.24 Bank Accounts. Schedule 3.24 of the Company Disclosure Schedule lists all the Company's and each Company Subsidiary's bank accounts, safety deposit boxes and lock boxes (designating each authorized signatory with respect to such account or box).

3.25 Names. Except as set forth on Schedule 3.25 of the Company Disclosure Schedule, (a) during the five-year period prior to the Closing Date, the Company and the Company Subsidiaries have not used any name or names under which it has invoiced account debtors, maintained records concerning their respective assets or otherwise conducted business other than the exact name set forth in the Company's or the Company Subsidiary's articles of organization or other organizing documents.

3.26 Custodial Accounts. Schedule 3.26 of the Company Disclosure Schedule sets forth all custodial accounts maintained by the Company or any Company Subsidiary in connection with the Business (collectively, the "Custodial Accounts" and each a "Custodial Account"). The Company does not monitor custodial accounts maintained by its customers. Each Custodial Account has been established, administered and maintained in material compliance with all applicable Laws. To the Company's Knowledge, nothing has occurred with respect to any Custodial Account that has or would reasonably expected to have a Company Material Adverse Effect.

3.27 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any Transaction Document based upon arrangements made by or on behalf of the Company.

3.28 No Other Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE III AND IN ARTICLE IV, NEITHER THE COMPANY NOR SELLER MAKES ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY, AND THE COMPANY AND SELLER HEREBY DISCLAIM ANY SUCH REPRESENTATION OR WARRANTY WITH RESPECT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. BUYER WILL ACQUIRE THE COMPANY AND ITS SUBSIDIARIES WITHOUT ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IN AN "AS IS" CONDITION AND ON A "WHERE AS" BASIS, EXCEPT AS OTHERWISE EXPRESSLY REPRESENTED OR WARRANTED IN THIS AGREEMENT.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the disclosure schedule delivered by the Seller to Buyer concurrently with the execution of this Agreement (the "**Seller Disclosure Schedule**" and together with the Company Disclosure Schedule, the "**Disclosure Schedules**"), the Seller represents and warrants to Buyer that the statements contained in this Article IV are true and correct as of the date of this Agreement and as of the Effective Time.

4.1 Authority; Enforceability. The Seller has the requisite legal capacity, power and authority to enter into and perform its obligations under this Agreement and the Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Seller, and (assuming due execution and delivery by each other party hereto) this Agreement constitutes a legal, valid and binding obligation of the Seller enforceable against the Seller in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, or moratorium laws or other similar Laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies. When each Transaction Document to which the Seller is or will be a party has been duly executed and delivered by the Seller (assuming due execution and delivery by each other party thereto), such Transaction Document will constitute a legal and binding obligation of the Seller enforceable against it in accordance with its terms; except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, or moratorium laws or other similar Laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies.

4.2 No Conflicts; Consents. The execution, delivery and performance by the Seller of this Agreement and the Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (i) conflict with or result in a material violation or material breach of any provision of any Law or Governmental Order applicable to the Seller; (ii) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any material Contract to which the Seller is a party or by which the Seller is bound or to which any of Seller's material properties and assets are subject; or (iii) result in the creation or imposition of any Encumbrance (except for Permitted Encumbrances) on Seller's ownership of the Equity Interest. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to the Seller in connection with the execution, delivery and performance of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby.

4.3 Title to Equity Interest. Seller is the record and beneficial owner of 100% of the issued and outstanding equity interests of the Company, consisting of 1,000 shares of common stock, par value $0.01. Seller has good title to such Equity Interest free and clear of all Encumbrances (except for Permitted Encumbrances).

4.4 Investment Representations.

(a) Seller has had the opportunity to ask questions and receive answers from, the officers of the Buyer concerning Buyer, its business, management, financial affairs, and the terms and conditions of the investment. Seller has received all information it considers necessary or advisable in order to make an investment decision to accept shares of common stock of the Buyer (the "**Shares**") being issued as partial consideration for the sale of the Equity Interests.

(b) Seller has carefully reviewed Buyer's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, and all subsequent periodic and current reports filed with the SEC, all of which are publicly available at the SEC's website.

(c) Seller understands that an investment in Buyer is speculative and involves a high degree of risk. Seller is able to bear the economic risk of an investment in Buyer, including the possibility of a complete loss of Seller's investment.

(d) Seller is an "accredited investor" within the meaning of Regulation D under the Securities Act of 1933, as amended, and/or has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in Buyer and protecting Seller's own interests in connection with the investment.

(e) Seller understands that the Shares have not been registered under the Securities Act of 1933, as amended. Seller understands that the Shares constitute "restricted securities" under applicable federal and state securities Laws and that, pursuant to these Laws, Seller must hold the Shares indefinitely unless they are subsequently registered with the SEC and qualified by applicable state authorities, or an exemption from such registration and qualification requirements is available.

(f) Seller represents and agrees that it will not sell or otherwise transfer the Shares without compliance with the Investor Rights Agreement, any lock-up executed by Seller and required by the underwriter of a public offering of the Buyer's securities and delivered at or in conjunction with the Closing and registration under the Securities Act of 1933, as amended, or an exemption therefrom.

4.5 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any Transaction Document based upon arrangements made by or on behalf of the Seller.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that the statements contained in this Article V are true and correct as of the date of this Agreement and as of the Effective Time.

5.1 Organization and Authority. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation. Buyer has full corporate power and authority to enter into and perform its obligations under this Agreement and the Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by Buyer of this Agreement and any Transaction Document to which it is a party and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Buyer and no other corporate proceedings (including any vote of the Buyer's shareholders) on the part of Buyer is necessary to authorize the execution, delivery and performance of this Agreement or to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by Buyer, and (assuming due execution and delivery by each other party hereto) this Agreement constitutes a legal, valid and binding obligation of Buyer enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, or moratorium laws or other similar Laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies. When each Transaction Document to which Buyer is or will be a party has been duly executed and delivered by it (assuming due execution and delivery by each other party thereto), such Transaction Document will constitute a legal and binding obligation of Buyer enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, or moratorium laws or other similar Laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies

5.2 No Conflicts; Consents. The execution, delivery and performance by Buyer of this Agreement and the Transaction Documents to which it is a party, and the consummation of the transactions contemplated by this Agreement and the Transaction Documents, do not and will not: (a) conflict with or result in a material violation or material breach of, or default under, any provision of the certificate of incorporation, by-laws or other organizational documents of Buyer; (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Buyer; or (c) except for consent of Buyer's principal secured lender, require the consent, notice or other action by any Person under any material Contract to which Buyer is a party. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Buyer in connection with the execution, delivery and performance of this Agreement and the Transaction Documents and the consummation of the transactions contemplated by this Agreement and the Transaction Documents

5.3 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any Transaction Document based upon arrangements made by or on behalf of Buyer.

5.4 Investment Purpose. Buyer is acquiring the Equity Interests solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof. Buyer acknowledges that the Equity Interests are not registered under the Securities Act, or any state securities laws, and that the Equity Interests may not be

transferred or sold except pursuant to the registration provisions of the Securities Act or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable. Buyer is an "accredited investor" as defined under Rule 501(a) of Regulation D. Buyer acknowledges that it is informed as to the risks of the transactions contemplated hereby and of the ownership of the Equity Interests. Buyer is knowledgeable about the industries in which the Company and its Subsidiaries operate and is capable of evaluating the merits and risks of the transactions contemplated by this Agreement and is able to bear the substantial economic risk of such investment for an indefinite period of time.

5.5 Legal Proceedings. There are no Actions pending or, to Buyer's knowledge, threatened against or by Buyer or any of its Affiliates that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise or serve as a basis for any such Action.

5.6 Buyer Capitalization. The Shares will, upon issuance, be duly authorized, validly issued, fully paid and non-assessable. As of the Closing Date, the authorized capital stock of Buyer consists of: 22,000,000 shares of Common Stock, par value $0.01 per share, and 1,500,000 shares of Preferred Stock, par value $0.01 per share. As of Closing Date and not including the issuance of any shares representing the Stock Consideration, [8,630,023](1) shares of Common Stock were outstanding and no shares of Preferred Stock were outstanding. As of the Closing Date, [890,649] shares of Common Stock are issuable upon the exercise of outstanding stock options, of which options to purchase 80,000 shares are subject to stockholder approval of an amendment to the Buyer's 2009 Equity Plan at the 2017 annual meeting of stockholders. As of the Closing Date, [225,000] shares of Common Stock are authorized for issuance pursuant to the Asure Software, Inc. Employee Stock Purchase Plan, which plan is subject to stockholder approval at the Buyer's annual meeting. Other than: (a) the obligations in this Agreement, (b) the outstanding stock options, and (c) the shares available for future issuance under the 2009 Equity Plan (including an additional 300,000 shares to be available for future issuance subject to stockholder approval of an amendment to the 2009 Equity Plan) and the Asure Software, Inc. Employee Stock Purchase Plan (subject to stockholder approval), there are currently no outstanding options, warrants or other agreements pursuant to which Buyer is obligated to issue or pursuant to which any Person is entitled to purchase any equity or voting interests in Buyer. Buyer is not a party to any voting arrangements with any of its stockholders.

5.7 SEC Filings.

(a) Buyer has filed all forms, reports and documents required to be filed by Buyer with the SEC since January 1, 2015. All such required forms, reports and documents (including those that Buyer may file after the Agreement Date until the Closing) are referred to as the "**Buyer SEC Reports**." True and correct copies of the Buyer SEC Reports are publicly available on the SEC's website. As of their respective filing dates, the Buyer SEC Reports complied as to form in all material respects with the requirements of the Securities Act or the Exchange Act, as the case may be, and the rules and regulations of the SEC thereunder applicable to such Buyer SEC Report.

(1) Confirm no change as of closing date

(b) Each of the financial statements of Buyer (including, in each case, the notes thereto), included in the Buyer SEC Report ("**Buyer Financial Statements**"), (i) complied as to form in all material respects with the published rules and regulations of the SEC with respect thereto; (ii) was prepared in accordance with GAAP applied on a consistent basis throughout the periods indicated (except as may be indicated in the notes thereto, or in the case of unaudited statements, as may be permitted by the SEC on Form 10-Q under the Exchange Act), and (iii) fairly presented in all material respects the financial position of Buyer at the respective dates thereof and the results of Buyer's operations and cash flows for the periods indicated (subject in the case of unaudited financial statements, to normal audit adjustments). There has been no change in Buyer's accounting policies except as described in the notes to the Buyer Financial Statements.

5.8 Solvency. Upon consummation of the transaction contemplated hereby, Buyer, the Company and the Company's Subsidiaries will not (a) be insolvent or left with unreasonably small capital, (b) have incurred debts beyond their ability to pay such debts as they mature, or (c) have liabilities in excess of the reasonable market value of their assets. No transfer of property is being made and no obligation is being incurred in connection with the transactions contemplated by this Agreement with the intent to hinder, delay or defraud either present or future creditors of the Company or its Subsidiaries.

5.9 Access and Investigation. Buyer acknowledges that it is relying on its own independent investigation and analysis in entering into the transactions contemplated hereby. Buyer has been afforded reasonable access to the books and records, facilities and personnel of the Company for purposes of conducting a due diligence investigation and has conducted a full due diligence investigation of the Company. Buyer acknowledges that the Company is only making the representations and warranties contained in Article III of this Agreement and Seller is only making the representations and warranties contained in Article IV of this Agreement and, other than such representations made in Article III or Article IV of this Agreement, Buyer is not relying on any other representations or warranties from Seller, the Company or any other Person in executing and delivering this Agreement or in consummating the transactions contemplated hereby.

ARTICLE VI
COVENANTS

6.1 Access to Information. For a period of five (5) years from and after the Closing, Seller shall (1) hold, and shall use its reasonable best efforts to cause his, her or its Affiliates and Representatives, in each case, to whom Seller has disclosed confidential or proprietary information to, to hold in confidence any and all propriety or confidential information, whether written or oral, concerning the Company, except to the extent that such information (a) is or becomes generally available to the public other than as a result of disclosure by Seller or any of its Affiliates or Representatives in violation of this Agreement; (b) is lawfully acquired by Seller, any of its Affiliates or its Representatives from and after the Closing from sources which are not known to the Seller to be prohibited from disclosing such information by a legal, contractual or fiduciary obligation; or (c) is independently developed by Seller, its Affiliates or Representatives without reference to any confidential or proprietary information of the Company or its Subsidiaries. If Seller or any of its Affiliates or its Representatives is requested or compelled to

disclose any confidential or proprietary information in any legal proceeding, by judicial or administrative process, by the rules or regulations of any stock exchange or securities commission or by other requirements of Law, Seller shall promptly notify Buyer in writing and shall disclose only that portion of such information which Seller reasonably believes is requested or required to be disclosed; provided that Seller shall use commercially reasonable efforts (at Buyer's sole cost and expense) to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information.

6.2 Directors' and Officers' Indemnification.

(a) Buyer agrees that all rights to indemnification, advancement of expenses and exculpation by the Company or its Subsidiaries now existing in favor of each Person who is now, or has been at any time prior to the date of this Agreement or who becomes prior to the Closing Date an officer or director of the Company or its Subsidiaries (each a "**D&O Indemnified Party**") as provided in the Company Charter Documents, in each case as in effect on the date of this Agreement, or pursuant to any other Contracts in effect on the date of this Agreement and disclosed in Schedule 6.2 of the Company Disclosure Schedule, shall survive the Closing Date and shall remain in full force and effect in accordance with their terms, and, in the event that any proceeding is pending or asserted or any claim made during such period, until the final disposition of such proceeding or claim.

(b) The obligations of Buyer and the Company under this Section 6.2 shall not be terminated or modified in such a manner as to adversely affect any D&O Indemnified Party to whom this Section 6.2 applies without the consent of such affected D&O Indemnified Party (it being expressly agreed that the D&O Indemnified Parties to whom this Section 6.2 applies shall be third-party beneficiaries of this Section 6.2, each of whom may enforce the provisions of this Section 6.2).

(c) In the event Buyer, the Company or any of their respective successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity in such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in either such case, proper provision shall be made so that the successors and assigns of Buyer or the Company, as the case may be, shall assume all of the obligations set forth in this Section 6.2. The agreements and covenants contained herein shall not be deemed to be exclusive of any other rights to which any Indemnified Party is entitled, whether pursuant to Law, Contract or otherwise. Nothing in this Agreement is intended to, shall be construed to or shall release, waive or impair any rights to directors' and officers' insurance claims under any policy that is or has been in existence with respect to the Company, its Subsidiaries or its or their officers, directors and employees, it being understood and agreed that the indemnification provided for in this Section 6.2 is not prior to, or in substitution for, any such claims under any such policies.

6.3 Public Announcements. Unless otherwise required by applicable Law or stock exchange or trading market requirements (based upon the reasonable advice of counsel), no party to this Agreement shall make any public announcements in respect of this Agreement or the

transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed), and the parties shall cooperate as to the timing and contents of any such announcement; provided, however, that the foregoing will not restrict or prohibit the Company or any of its Subsidiaries from making any announcement to its employees, customer or other business relations to the extent the Company or such Subsidiaries reasonably determines in good faith that such announcement is necessary or advisable. For the avoidance of doubt, the parties hereto acknowledge and agree that SOSP and its Affiliates (except for the Company and its Subsidiaries) may provide general information about the subject matter of this Agreement and the Company and its Subsidiaries (including its and their performance and improvements) in connection with SOSP's or its Affiliates' fund raising, marketing, informational or reporting activities. Notwithstanding anything contained herein to the contrary, in no event will Buyer or, after the Closing, the Company have any right to use SOSP's name or mark, or any abbreviation, variation or derivative thereof, in any press release, public announcement or other public document or communication without the express written consent of SOSP; provided however, Buyer shall not be required to obtain the written consent of SOSP for use in connection with any required SEC Filings.

6.4 Employee Related Matters. Buyer shall cause the Company to continue the employment, immediately after the Closing, of those employees of the Business who were employed by the Company immediately before the Closing (each a "**Continuing Employee**"). Buyer shall be responsible for all costs of severance associated with any employee terminated in connection with or following the consummation of the transactions contemplated hereby. Buyer shall, or it shall cause its Affiliates to, give Continuing Employees full credit for all purposes (other than benefit accrual under a defined benefit pension plan) under the employee benefit plans or arrangements maintained by Buyer or its Affiliates in which Continuing Employees participate after the Closing Date for such Continuing Employee's service with the Company or any of its Affiliates immediately prior to the Closing Date. With respect to any welfare benefit plans maintained by Buyer or its Affiliates for the benefit of Continuing Employees on and after the Closing Date, Buyer shall, or shall cause its Affiliates to, (i) cause there to be waived any eligibility requirements or pre-existing condition limitations to the same extent waived under comparable Benefit Plans and (ii) give effect, in determining any deductible and maximum out-of-pocket limitations, to amounts paid by such Continuing Employees with respect to comparable plans maintained by the Company. Nothing in this Agreement shall confer upon any Continuing Employee any right as a third party beneficiary with respect to (x) continued employment (or any particular term or condition of employment) with Buyer or any of its Affiliates, (y) a limitation on Buyer's (or any of its Affiliates') right to terminate the employment of any Person (including any Continuing Employee) at any time and for any or no reason (subject to applicable Law), with or without cause or notice, or the exercise of independent business judgment in modifying any terms or conditions of employment of the Continuing Employees on and after the Closing Date.

6.5 Further Assurances. Following the Closing, each of the parties shall, and shall cause their respective Affiliates to, execute and deliver, at the requesting party's expense, such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions of this Agreement and give effect to the transactions contemplated by this Agreement.

6.6 Letters of Credit.

(a) Buyer agrees that the Letter of Credit Amount will be retained by the Company as a source of cash collateral for the standby letter of credit issued by KeyBank National Association (the "**Letter of Credit**") relating to that certain Lease Agreement dated October 27, 2015 by and between iSystems, LLC and Pizzagalli Properties, LLC for a period of two (2) years from the date hereof.

(b) Buyer agrees that the Letter of Credit Amount shall be paid to Seller in full by wire transfer of immediately available funds to an account designated in writing by the Seller within five (5) Business Days of the earlier of (w) two (2) years from the date hereof, (x) the expiration by its terms of the Letter of Credit, (y) the date on which Buyer provides written confirmation to Seller that the Letter of Credit has been fully and unconditionally released, or (z) Buyer's achieving free cash flow equal to or in excess of $20,000,000.00.

(c) For the avoidance of doubt, Seller and its Affiliates shall not be liable for any Loss incurred by Buyer, the Company or any of their Affiliates from and after the Closing arising under or in connection with the such Letter of Credit (including any demand or draw upon, or withdrawal from, the Letter of Credit) and the full Letter of Credit Amount shall be payable to Seller pursuant to Section 6.6(b) regardless of the incurrence of any such Loss.

ARTICLE VII
TAX MATTERS

7.1 Tax Covenants. All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the Transaction Documents (including any real property transfer Tax and any other similar Tax) shall be borne and paid 50% by the Buyer and 50% by the Seller, when due. Buyer shall timely file any Tax Return or other document with respect to such Taxes or fees (and Seller shall cooperate with respect thereto as necessary).

7.2 Termination of Existing Tax Sharing Agreements. Any and all existing Tax sharing agreements (whether written or not) binding upon the Company shall be terminated as of the Closing Date. After such date neither the Company nor any of its Representatives shall have any further rights or liabilities thereunder.

7.3 Tax Indemnification. Seller shall indemnify the Company, Buyer, and each Buyer Indemnitee and hold them harmless from and against (a) any Loss attributable to any breach or violation of, or failure to fully perform, by Seller of any covenant, agreement, undertaking or obligation in this Article VII; (b) all Taxes of the Company or relating to the business of the Company for all Pre-Closing Tax Periods; (c) all Taxes of any member of an affiliated, consolidated, combined or unitary group of which the Company (or any predecessor of the Company) is or was a member on or prior to the Closing Date by reason of a liability under Treasury Regulation Section 1.1502-6 or any comparable provisions of foreign, state or local Law; and (d) any and all Taxes of any person imposed on the Company arising under the

principles of transferee or successor liability or by contract, relating to an event or transaction occurring before the Closing Date, in each case to the extent not paid prior to the Closing or otherwise not included in the calculation of Company Closing Working Capital, Indebtedness or any adjustments to Purchase Price. To the extent Seller is obligated to indemnify a Buyer Indemnitee under this Section 7.3, the amount of such Loss or Taxes, including any reasonable out-of-pocket expenses, shall be paid in accordance with Section 7.10 of this Agreement; provided, however, that, except for claims for indemnification pursuant to this Section 7.3 for Losses relating to Income Taxes, in no event shall Seller be liable for any Loss pursuant to this Section 7.3 for any amounts in excess of the Cap or, following the first anniversary of the Closing Date, the Adjusted Cap. For the avoidance of doubt, in no event will Seller be obligated to indemnify any Buyer Indemnitee with respect to Losses relating to Income Taxes arising under this Section 7.3 for any Losses in excess of the Cash Proceeds.

7.4 Tax Returns.

(a) The Company shall prepare and timely file, or cause to be prepared and timely filed, all Tax Returns required to be filed by it that are due on or before the Closing Date (taking into account any extensions), and shall timely pay all Taxes that are due and payable on or before the Closing Date (taking into account any extensions). Any such Tax Return shall be prepared in a manner consistent with past practice (unless otherwise required by Law).

(b) Buyer shall prepare and timely file, or cause to be prepared and timely filed, all Tax Returns required to be filed by the Company after the Closing Date with respect to a Pre-Closing Tax Period and for any Straddle Period. Any such Tax Return shall be prepared in a manner consistent with past practice (unless otherwise required by Law) and, if it is an income or other material Tax Return, shall be submitted by Buyer to Seller (together with schedules, statements and, to the extent requested by Seller, supporting documentation) at least forty-five (45) days prior to the due date (including extensions) of such Tax Return. If Seller objects to any item on any such Tax Return that relates to a Pre-Closing Tax Period, it shall, within ten (10) days after delivery of such Tax Return, notify Buyer in writing that it so objects, specifying with particularity any such item and stating the specific factual or legal basis for any such objection. If a notice of objection shall be duly delivered, Buyer and Seller shall negotiate in good faith and use their reasonable best efforts to resolve such items. If Buyer and Seller are unable to reach such agreement within ten (10) days after receipt by Buyer of such notice, the disputed items shall be resolved by the Independent Accountant and any determination by the Independent Accountant shall be final. The Independent Accountant shall resolve any disputed items within twenty (20) days of having the item referred to it pursuant to such procedures as it may require. If the Independent Accountant is unable to resolve any disputed items before the due date for such Tax Return, the Tax Return shall be filed as prepared by Buyer and then amended to reflect the Independent Accountant's resolution. The costs, fees and expenses of the Independent Accountant shall be borne equally by Buyer and Seller. The preparation and filing of any Tax Return of the Company that does not relate to a Pre-Closing Tax Period or Straddle Period shall be exclusively within the control of Buyer.

7.5 Straddle Period. In the case of Taxes that are payable with respect to a taxable period that begins before and ends after the Closing Date (each such period, a "**Straddle Period**"), the portion of any such Taxes that are treated as Pre-Closing Taxes for purposes of this Agreement shall be:

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

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

7.6 Contests. Buyer agrees to give written notice to Seller of the receipt of any written notice by the Company, Buyer or any of Buyer's Affiliates which involves the assertion of any claim, or the commencement of any Action, in respect of which an indemnity may be sought by Buyer pursuant to this Article VII (a "**Tax Claim**"); provided, that failure to comply with this provision shall not affect Buyer's right to indemnification under this Agreement, unless such failure materially adversely affects the Seller's right to participate in and contest such Tax Claim. Seller shall have the right to control the contest or resolution of any Tax Claim with respect to a Pre-Closing Tax Period for which Seller is liable; provided, however, that Seller shall obtain the prior written consent of Buyer (which consent shall not be unreasonably withheld or delayed) before entering into any settlement of a claim or ceasing to defend such claim unless the settlement involves only the payment of money damages and does not impose an injunction or other equitable relief upon Buyer.

7.7 Cooperation and Exchange of Information. The Seller, the Company and Buyer shall provide each other with such cooperation and information as either of them reasonably may request of the others in filing any Tax Return pursuant to this Article VII or in connection with any audit or other proceeding in respect of Taxes of the Company. Such cooperation and information shall include providing copies of relevant Tax Returns or portions thereof, together with accompanying schedules, related work papers and documents relating to rulings or other determinations by tax authorities. Each of Seller, the Company and Buyer shall retain all Tax Returns, schedules and work papers, records and other documents in its possession relating to Tax matters of the Company for any taxable period beginning before the Closing Date until the expiration of the statute of limitations of the taxable periods to which such Tax Returns and other documents relate, without regard to extensions except to the extent notified by any of the other parties in writing of such extensions for the respective Tax periods. Prior to transferring, destroying or discarding any Tax Returns, schedules and work papers, records and other documents in its possession relating to Tax matters of the Company for any Pre-Closing Tax Period, Seller, the Company or Buyer (as the case may be) shall provide the other parties with reasonable written notice and offer the other parties the opportunity to take custody of such materials until the expiration of the statute of limitations of the taxable periods to which such Tax Returns or other documents relate, without regard to extensions except to the extent notified by any of the other parties in writing of such extensions for the respective Tax periods.

7.8 Tax Treatment of Indemnification Payments. Any indemnification payments pursuant to this Article VII shall be treated as an adjustment to the Purchase Price by the parties for Tax purposes, unless otherwise required by Law.

7.9 Tax Refunds. Seller will be entitled to any Tax refunds that are received by Buyer, the Company or any Subsidiary or Affiliate and any amounts credited against Tax to which Buyer, the Company or any Subsidiaries become entitled in any Post-Closing Tax Period, that relate to any Pre-Closing Tax Period. Buyer will pay over to Seller any such refund or the amount of any such credit within ten (10) days after actual receipt of such refund or credit against Taxes.

7.10 Payments. Notwithstanding any other provision of this Agreement, any amounts payable to Buyer pursuant to this Article VII shall be first satisfied from the Seller by a reduction of the face value of the Promissory Note in accordance with Section 8.5(a) of this Agreement and thereafter in accordance with Section 8.5(b) of this Agreement.

7.11 Post-Closing Taxes. Notwithstanding anything in this Agreement to the contrary, Seller shall have no obligation to indemnify any Buyer Indemnitee with respect to Taxes for a Post-Closing Tax Period.

7.12 Amended Tax Returns; Tax Elections. Buyer will not, without Seller's prior written consent, cause or permit the Company or any of its Subsidiaries to (i) amend any Tax Return that relates in whole or in part to any Pre-Closing Tax Period, (ii) make any election that has retroactive effect to any Pre-Closing Tax Period, if such amendment or election could result in Seller (or its direct or indirect owners) being liable for any Taxes, including to Buyer under this Agreement or to any taxing authority, or (iii) initiate any contact (including through any voluntary disclosure program or filing of a Tax Return with respect to any Pre-Closing Period inconsistent with past practice) with any Governmental Authority in respect of Taxes; provided, however, that Buyer may initiate any such contact without Seller's prior written consent if, in advance of any such contact, Buyer delivers to Seller written confirmation that Buyer and its Affiliates expressly agree that neither Seller nor any of its Affiliates, including for the avoidance of doubt any Guarantor, shall have any liability for Losses arising in connection with or as a result of such contact.

7.13 Closing of Taxable Year. To the extent required or permitted by Law (including pursuant to Treasury Regulations promulgated under Section 1502 of the Code), the parties shall elect to close any taxable year of any of the Company and its Subsidiaries as of the end of the Closing Date.

7.14 Survival. Notwithstanding anything in this Agreement to the contrary, the provisions of this Article VII shall survive for the full period of all applicable statutes of limitations (giving effect to any waiver, mitigation or extension thereof) plus an additional sixty (60) days.

7.15 Overlap. To the extent that any obligation or responsibility pursuant to Article VIII may overlap with an obligation or responsibility pursuant to this Article VII, the provisions of this Article VII shall govern.

ARTICLE VIII
INDEMNIFICATION

8.1 Survival. Subject to the limitations and other provisions of this Agreement, the representations and warranties contained in this Agreement shall survive the Closing and shall remain in full force and effect until the date that is eighteen (18) months from the Closing Date; provided, that (a) the Fundamental Representations and any claim based on Fraud shall survive until the date which is five (5) years from the Closing Date, and (b) the representations set forth in Section 3.20 shall survive for the full period of all applicable statutes of limitations (giving effect to any waiver, mitigation or extension thereof) plus an additional sixty (60) days. All covenants and agreements of the parties contained in this Agreement to be performed at or prior to the Closing shall survive the Closing for thirty (30) days after the Closing Date, and all other covenants and agreements of the parties contained in this Agreement shall survive the Closing in accordance with their respective terms. The obligations to indemnify, defend and hold harmless a Buyer Indemnitee will terminate on the applicable survival termination date; provided, however, that any claims asserted in good faith with reasonable specificity (to the extent known at such time) in writing and in compliance with the terms of Section 8.4 hereof by notice from the Buyer Indemnitee to the Seller prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims (and only such claims) shall survive until finally resolved.

8.2 Indemnification By the Seller. Subject to the other terms and conditions of this Article VIII, the Seller shall indemnify and defend the Buyer and its Affiliates (including the Company after the Closing) and their respective Representatives (collectively, the "Buyer Indemnitees") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Buyer Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of the Company or the Seller contained in this Agreement or the representations or warranties of Company or the Seller made in any Transaction Document delivered by the Company or the Seller pursuant to this Agreement, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date as of the Effective Time (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date);

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by the Company or the Seller pursuant to this Agreement (other than any breach or violation of, or failure to fully perform, any covenant, agreement or obligation in Article VII, it being understood that the sole remedy for any such breach, violation or failure shall be pursuant to Article VII), or by the Company or Seller pursuant to a Transaction Document; and

(c) any Indebtedness of the Company as of the Effective Time, Selling Expenses or Bonus Amounts not included in the computation of the Final Cash Consideration as finally determined pursuant to Section 2.4.

8.3 Certain Limitations. The indemnification provided for in Section 8.2 shall be subject to the following limitations:

(a) The aggregate amount of all Losses for which the Seller shall be liable pursuant to Section 8.2 shall not exceed $3,750,000.00 (the "**Cap**"). After the first anniversary of the Closing Date, the aggregate amount of all Losses for which Seller shall be liable pursuant to Section 8.2 shall not exceed $2,500,000.00 (the "**Adjusted Cap**"); provided that Buyer Indemnitees have not incurred Losses in an aggregate amount in excess of the Adjusted Cap prior to the first anniversary of the Closing Date. If, prior to the first anniversary of the Closing Date, Buyer Indemnitees have incurred aggregate Losses in excess of the Adjusted Cap, but less than the Cap (the "**First Year Losses**"), then the Buyer Indemnitees will have no further recourse against Seller for Losses incurred under Section 8.2 in excess of the First Year Losses.

(b) No Buyer Indemnitee will be entitled to any indemnification pursuant to Section 8.2 (except for claims arising from any breach or inaccuracy of the representations or warranties contained in Section 3.20) unless the aggregate of all Losses would exceed on a cumulative basis an amount equal to $330,000.00 (the "**Basket**"), in which in which event the Seller will be required to pay or be liable for all such Losses from the first dollar.

(c) Nothing in this Section 8.3 shall limit or restrict any of the Buyer Indemnitees' right to maintain any action or claim or recover any Losses against or from a Person that has committed Fraud. In no event shall Seller be liable for any Losses in excess of the Cash Proceeds.

(d) The Seller shall have no right of contribution from any of the Buyer Indemnitees with respect to any Loss for which Seller is required to indemnify such Buyer Indemnitee pursuant to this Article VIII.

(e) No Buyer Indemnitee will be entitled to indemnification hereunder for Losses with respect to any Liability to the extent (i) such matter was taken into account in determining the Final Cash Consideration or (ii) such matter was reserved for in the Financial Statements.

(f) The amount of any and all Losses under this Article VIII and indemnified Taxes under Article VII will be determined net of any Tax Benefits inuring to any Buyer Indemnitee or any of its Affiliates on the account of such Loss. If the Buyer Indemnitee receives a Tax Benefit after an indemnification payment is made to it that was not taken into account at the time the indemnification payment was made, such Buyer Indemnitee shall promptly, but in no event later than ten (10) days after such time that such Tax Benefit is actually realized, pay to the indemnifying party the amount of such Tax Benefit at such time or times as and to the extent that such Tax Benefit is actually realized by the Buyer Indemnitee. A Tax Benefit shall be actually realized by the Buyer Indemnitee upon the receipt of a refund of Taxes paid or the filing of a Tax Return, including an estimated Tax Return, showing a Tax Benefit (or, if earlier, the date when such a Tax Return should have been timely filed, including properly obtained extensions). For

purposes hereof, "Tax Benefit" shall mean (i) any refund or credit of Taxes paid or (ii) the amount such Buyer Indemnitee's liability for Taxes through a taxable period, calculated by excluding the relevant amount of credit, deduction or Loss, would exceed such Buyer Indemnitee's actual liability for Taxes through such period, calculated by taking into account the relevant amount of credit, deduction or Loss, in each case computed at the highest marginal Tax rates applicable to the recipient of such benefit.

(g) The amount of any and all Losses under this Article VIII will be determined net of any amounts actually recovered by any Buyer Indemnitee or any of such Buyer Indemnitee's Affiliates under or pursuant to any insurance policy, title insurance policy, indemnity, reimbursement arrangement or contract pursuant to which or under which such Buyer Indemnitee or such Buyer Indemnitee's Affiliates is a party or has rights (each a "**Policy**"). To the extent a Loss is clearly recoverable or for which there is a right of recovery under any such Policy, the Buyer Indemnitee agrees to submit a claim for coverage under such Policy coincident with making a claim for indemnification pursuant to this Article VIII. The final amount to which Seller is obligated to indemnify Buyer Indemnitee shall be calculated after the Buyer Indemnitee receives payment from the insurer under such Policy with respect to the claim or a determination that there is no coverage under such Policy, and then such amount shall be paid in accordance with Section 8.5 of this Agreement. Notwithstanding the foregoing and subject to the Basket, Seller shall reimburse Buyer Indemnitee for the deductible or any reasonable out-of-pocket expenses paid in connection with the submission of the claim for coverage under any such Policy, which payment will be made in accordance with Section 8.5 of this Agreement.

(h) Nothing in this Agreement will be interpreted to restrict or otherwise limit any party's common law duty to mitigate a Loss it may suffer or incur as a result of an event that may give rise to an indemnification claim under this Agreement.

8.4 Indemnification Procedures.

(a) **Third Party Claims.** If any Buyer Indemnitee receives notice of the assertion or commencement of any Action made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a "**Third Party Claim**") against such Buyer Indemnitee with respect to which the Seller is obligated to provide indemnification under this Agreement, the Buyer Indemnitee shall give the Seller reasonably prompt written notice of the Third Party Claim, but in any event not later than thirty (30) calendar days after receipt of such notice of such Third Party Claim. The failure to give such prompt written notice shall not, however, relieve the Seller of its indemnification obligations, except and only to the extent that the Seller forfeits rights or defenses by reason of such failure or such failure shall have materially prejudiced the Seller. Such notice by the Buyer Indemnitee shall describe the Third Party Claim in reasonable detail, shall include copies of all material written evidence of the Third Party Claim and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Buyer Indemnitee. The Seller shall have the right to participate in, or by giving written notice to the Buyer Indemnitee within thirty (30) calendar days after receipt of notice of such Third

Party Claim, to assume the defense of any Third Party Claim at the Seller's expense and by the Seller's own counsel, and the Buyer Indemnitee shall cooperate in good faith in such defense; provided, that the Seller shall not have the right to defend or direct the defense of any such Third Party Claim that seeks an injunction or other equitable relief against the Buyer Indemnitees. In the event that the Seller assumes the defense of any Third Party Claim, subject to Section 8.5(b), Seller shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Buyer Indemnitee. The Buyer Indemnitee shall have the right to participate in the defense of any Third Party Claim with counsel selected by it subject to the Seller's right to control the defense of the Third Party Claim. The fees and disbursements of such counsel shall be at the expense of the Buyer. If the Seller elects not to compromise or defend such Third Party Claim, fails to promptly notify the Buyer Indemnitee in writing of its election to defend as provided in this Agreement, or a court of competent jurisdiction determines that the Seller has failed to diligently prosecute the defense of such Third Party Claim, the Buyer Indemnitee may, subject to Section 8.5(b), pay, compromise, defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim, subject to the limitations set forth in this Article VIII. Seller and Buyer shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

(b) **Settlement of Third Party Claims**. Notwithstanding any other provision of this Agreement, Seller shall not enter into settlement of any Third Party Claim without the prior written consent of the Buyer Indemnitee, except as provided in this Section 8.5(b). If a firm offer is made to settle a Third Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Buyer Indemnitee and provides, in customary form, for the unconditional release of each Buyer Indemnitee from all liabilities and obligations in connection with such Third Party Claim and the Seller desires to accept and agree to such offer, the Seller shall give written notice to that effect to the Buyer Indemnitee. If the Buyer Indemnitee fails to consent to such firm offer within ten (10) days after its receipt of such notice, the Buyer Indemnitee may continue to contest or defend such Third Party Claim and in such event, the maximum liability of the Seller as to such Third Party Claim shall not exceed the amount of such settlement offer. If the Buyer Indemnitee fails to consent to such firm offer and also fails to assume defense of such Third Party Claim, the Seller may settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party Claim.

(c) **Direct Claims**. Any Action by a Buyer Indemnitee on account of a Loss which does not result from a Third Party Claim (a "**Direct Claim**") shall be asserted by the Buyer Indemnitee by giving the Seller reasonably prompt written notice of the Direct Claim, but in any event not later than thirty (30) days after the Buyer Indemnitee becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Seller of its indemnification obligations, except and only to the

extent that the Seller forfeit rights or defenses by reason of such failure or such failure shall have materially prejudiced the Seller. Such notice by the Buyer Indemnitee shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Buyer Indemnitee. The Seller shall have thirty (30) days after its receipt of such notice to respond in writing to such Direct Claim. During such thirty (30) day period, the Buyer Indemnitee shall allow the Seller and its, Affiliates, Representatives and professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Buyer Indemnitee shall assist the Seller's investigation by giving such information and assistance (including access to the Company's and its Subsidiaries' premises and personnel and the right to examine and copy any accounts, documents or records) as the Seller or any of its Affiliates, Representatives or professional advisors may reasonably request. If the Seller does not so respond within such thirty (30) day period, the Seller shall be deemed to have rejected such claim, in which case the Buyer Indemnitee shall be free to pursue such remedies as may be available to the Buyer Indemnitee on the terms and subject to the provisions of this Agreement.

8.5 Payments.

(a) From and after the Closing (but subject to the terms and conditions of this Article VIII), any indemnification of the Buyer Indemnitees for which Seller is liable under this Agreement will be effected solely by reducing the face value of the Promissory Note by the amount of such indemnification obligations, as finally agreed to by Seller or finally adjudicated as payable pursuant to this Article VIII. Recourse against and the reduction of the face value of the Promissory Note, up to the Cap or Adjusted Cap, as applicable, will be the Buyer Indemnitees' sole and exclusive source of recovery for any amounts owing to Buyer Indemnitees under this Agreement, except in the case of (i) Fraud; (ii) a claim for indemnification for Losses relating to Taxes arising under Section 7.3 of this Agreement, which claim arose after the Promissory Note is paid, but before the expiration of the survival period set forth in Section 7.14; or (iii) a Loss related to the breach of a Fundamental Representation or the representations set forth in Section 3.20 of this Agreement, which claim arose after the Promissory Note is paid, but before the expiration of the survival period set forth in Section 8.1 (clauses (i), (ii) and (iii) collectively, a "**Section 8.5(a) Loss**").

(b) From and after the Promissory Note has been paid, if any Section 8.5(a) Loss is agreed to by the Seller or finally adjudicated to be payable pursuant to this Article VIII, the Seller shall satisfy its obligations within fifteen (15) Business Days of such acceptance or final, non-appealable adjudication by wire transfer of immediately available funds to the account specified in writing by the Buyer Indemnitee. The parties agree that should Seller not make full payment of any such obligations within such fifteen (15) Business Day period, any amount payable shall accrue interest from and including the date of agreement of the Indemnifying Party or final, non-appealable adjudication to and including the date such payment has been made at a rate per annum equal to 3%.

Such interest shall be calculated daily on the basis of a 365/366 day year and the actual number of days elapsed, without compounding.

(c) Notwithstanding the above, if a Buyer Indemnitee has delivered notice of a claim for indemnification in good faith pursuant to Section 8.2 in respect of Losses and such claim has not been finally resolved or agreed to on or before any required payment date under the Promissory Note, the failure of Buyer to make a required payment of principal in the amount and to the extent of the amount of Losses alleged in good faith in such claim for indemnification when due will not constitute an event of default under the Promissory Note.

8.6 Indemnification by the Buyer.

(a) From and after the Closing, Seller and its Affiliates, officers, directors, employees, agents and Representatives (each a "**Seller Indemnitee**") shall be indemnified and held harmless against, any Loss incurred as a result of (i) any breach of or inaccuracy in any representation or warranty made by Buyer in Article V of this Agreement or any representation or warranty made by Buyer in any Transaction Document delivered by Buyer pursuant to this Agreement, as of the date such representation and warranty was made or as if such representation or warranty was made on and as of the Closing Date as of the Effective Time, (ii) any breach by Buyer of any of its covenants or agreements contained in this Agreement or any Transaction Document, or (iii) any breach by the Company or its Subsidiaries of any of its covenants or agreements contained herein or in any Transaction Document which are to be performed by the Company or its Subsidiaries after the Closing Date.

(b) No Seller Indemnitee will be entitled to any indemnification pursuant to Sections 8.6(a)(i) unless the aggregate of all Losses would exceed on a cumulative basis an amount equal to Basket in which in which event the Buyer will be required to pay or be liable for all such Losses from the first dollar.

(c) The aggregate amount of all Losses for which the Buyer shall be liable pursuant to Section 8.6(a)(i) shall not exceed the Cap. After the first anniversary of the Closing Date, the aggregate amount of all Losses for which Buyer shall be liable pursuant to Section 8.6(a)(i) shall not exceed the Adjusted Cap; provided that Seller Indemnitees have not incurred Losses in an aggregate amount in excess of the Adjusted Cap prior to the first anniversary of the Closing Date. If, prior to the first anniversary of the Closing Date, Seller Indemnitees have incurred aggregate Losses in excess of the Adjusted Cap, but less than the Cap (the "**Seller First Year Losses**"), then the Buyer Indemnities will have no further recourse against Seller for Losses incurred under Section 8.6(a)(i) in excess of the Seller First Year Losses.

(d) Nothing in this Section 8.6 shall limit or restrict any of the Seller Indemnitees' right to maintain any action or claim or recover any Losses against or from a Person that has committed Fraud.

(e) If any Loss claimed by a Seller Indemnitee is agreed to by the Buyer or finally adjudicated to be payable to a Seller Indemnitee pursuant to this Article VIII, the Buyer shall satisfy its obligations within fifteen (15) Business Days of such acceptance or final, non-appealable adjudication by wire transfer of immediately available funds to the account specified in writing by the Seller Indemnitee. The parties agree that should Buyer not make full payment of any such obligations within such fifteen (15) Business Day period, any amount payable shall accrue interest from and including the date of agreement of the Indemnifying Party or final, non-appealable adjudication to and including the date such payment has been made at a rate per annum equal to 3%. Such interest shall be calculated daily on the basis of a 365/366 day year and the actual number of days elapsed, without compounding.

8.7 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

8.8 Exclusive Remedies. Subject to Section 9.11, the parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims from and after the Closing for any breach of any representation, warranty, covenant, agreement or obligation set forth in this Agreement or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in Section 6.6, Article VII and this Article VIII (and, with respect to the Post-Closing Adjustment, the dispute resolution mechanics set forth in Section 2.4). In furtherance of the foregoing, each party hereby waives, from and after the Closing, to the fullest extent permitted under Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth in this Agreement or otherwise relating to the subject matter of this Agreement it may have against the other parties hereto and their Affiliates and each of their respective Representatives arising under or based upon any Law, except pursuant to the indemnification provisions set forth in Article VII and this Article VIII (or, with respect to the Post-Closing Adjustment, the dispute resolution mechanics set forth in Section 2.4). Nothing in this Section 8.8 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled or to seek any remedy on account of any party's Fraud. Nothing in this Agreement shall limit any Seller Indemnitee's rights with respect to (i) the Shares issued to Seller as the Stock Consideration or (ii) the Promissory Note.

ARTICLE IX
MISCELLANEOUS

9.1 Expenses. Except as otherwise expressly provided in this Agreement, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated by this Agreement shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

9.2 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if

sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 9.2):

If to Seller (and, prior to the Closing, the Company):	iSystems Holdings, LLC c/o Silver Oak Services Partners II, L.P. 1560 Sherman Avenue, Suite 1200 Evanston, IL 60201 Attn: Daniel Gill, Jeffrey Mann and Andrew Gustafson Email: gill@silveroaksp.com mann@silveroaksp.com gustafson@silveroaksp.com
with a copy to:	Kirkland & Ellis LLP 300 North LaSalle Street Chicago, IL 60654 Attn: Richard J. Campbell, P.C. Email: Richard.campbell@kirkland.com
If to Buyer:	Asure Software, Inc. 110 Wild Basin Road, Suite 100 Austin, Texas 78746 Attention: Brad Wolfe, CFO Facsimile: (512) 437-2718 E-mail: BWolfe@asuresoftware.com
with a copy to:	Messerli & Kramer P.A. 100 South Fifth Street, Suite 1400 Minneapolis, Minnesota 55402 Attention: Katheryn A. Gettman, Esq. Facsimile: (612) 672-3627 Email: kgettman@messerlikramer.com

9.3 Interpretation. For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "of this Agreement," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Company Disclosure Schedules and Exhibits mean the Articles and Sections of, and Company Disclosure Schedules and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations

promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Company Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim in this Agreement.

9.4 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

9.5 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

9.6 Entire Agreement. This Agreement and the Transaction Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the Transaction Documents, the Exhibits and Company Disclosure Schedules (other than an exception expressly set forth as such in the Company Disclosure Schedules), the statements in the body of this Agreement will control.

9.7 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed; provided, however, that Buyer may assign its rights hereunder for collateral purposes to any provider of secured finance to Buyer. No assignment shall relieve the assigning party of any of its obligations hereunder.

9.8 No Third-Party Beneficiaries. Except as provided in Section 6.2, Section 7.3. and Article VIII, this Agreement is for the sole benefit of the parties and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

9.9 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by or on behalf of each of the parties. Any failure of Buyer, on the one hand, or the Seller, on the other hand, to comply with any obligation, covenant, agreement or condition in this Agreement may be waived by Seller (with respect to any failure by Buyer) or by Buyer (with respect to any failure by the Company or Seller), respectively, only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant,

agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

9.10 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction).

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY SHALL BE INSTITUTED IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE OR, TO THE EXTENT SUCH COURT DECLINES JURISDICTION, FIRST TO ANY FEDERAL COURT, OR SECOND, IN THE STATE COURTS OF THE STATE OF DELAWARE LOCATED IN WILMINGTON, DELAWARE, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE ANCILLARY DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.10(c).

9.11 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms of this Agreement, that money damages would not be an adequate remedy for such damages and that the parties shall be entitled to specific performance of the terms of this Agreement, in addition to any other remedy to which they are entitled at law or in equity, without posting any bond or other undertaking. Each of the parties to this Agreement hereby waives any defenses in any action for specific performance, including the defense that a remedy at law would be adequate.

9.12 Consents. Buyer acknowledges that certain consents to the transactions contemplated by this Agreement may be required from parties to contracts, leases, licenses or other agreements to which the Company or one or more of its Subsidiaries is a party (including the contracts set forth on Schedule 3.9(a) of the Company Disclosure Schedule) and such consents have not been obtained. Buyer agrees and acknowledges that Seller will have no liability whatsoever to Buyer (and Buyer will not be entitled to assert any claims) arising out of or relating to the failure to obtain any consents that may have been or may be required in connection with the transactions contemplated by this Agreement or because of the default, acceleration or termination of any such contract, lease, license or other agreement as a result thereof. Buyer further agrees that no representation, warranty or covenant of the Company contained herein will be breached or deemed breached and no condition of Buyer will be deemed not to be satisfied as a result of the failure to obtain any consent or as a result of any such default, acceleration or termination or any lawsuit, action, claim, proceeding or investigation commenced or threatened by or on behalf of any Person arising out of or relating to the failure to obtain any consent or any such default, acceleration or termination.

9.13 Prevailing Party. In the event any Action is commenced or threatened by any party to this Agreement (the "Claiming Party") to enforce its rights under this Agreement against any other party to this Agreement (the "Defending Party"), the non-prevailing party (whether a Claiming Party or a Defending Party) shall reimburse the prevailing party in such Proceeding all fees, costs and expenses, including, without limitation, reasonable attorneys' fees and court costs incurred by such prevailing party in the Proceeding; provided, that if a party prevails in part, and loses in part, in such Proceeding, the court, arbitrator or other adjudicator presiding over such Proceeding will award a reimbursement of the fees, costs and expenses incurred by the parties on an equitable basis. For purposes hereof, and without limitation, (A) a Defending Party will be deemed to have prevailed in any Proceeding described in the immediately preceding sentence if the Claiming Party commences or threatens any such Proceeding and (i) such underlying claim(s) is subsequently dropped or voluntarily dismissed, or (ii) the Defending Party defeats any such claim(s); and (B) a Claiming Party will be deemed to have prevailed in any Proceeding described in the immediately preceding sentence if the Defending Party (i) admits or does not provide an Answer to any underlying claim; or (ii) is assessed liability with respect to all underlying claim(s) from a court, arbitrator or other adjudicator presiding over such Proceeding.

9.14 Representation of Seller and its Affiliates. Buyer agrees, on its own behalf and on behalf of the Buyer Indemnitees, that, following the Closing, Kirkland & Ellis LLP may serve as counsel to Seller and its Affiliates in connection with any matters related to this Agreement and the transactions contemplated hereby, including any litigation, claim or obligation arising out of, relating to or in connection with this Agreement or the transactions contemplated by this Agreement notwithstanding any representation by Kirkland & Ellis LLP prior to the Closing

Date of the Company or any of its Subsidiaries. Buyer and the Company (on behalf of itself and its Subsidiaries) hereby (i) waive any claim they have or may have that Kirkland & Ellis LLP has a conflict of interest or is otherwise prohibited from engaging in such representation and (ii) agree that, in the event that a dispute arises after the Closing between Buyer, the Company or any Subsidiary and Seller or any of its Affiliates, Kirkland & Ellis LLP may represent Seller or any of its Affiliates in such dispute even though the interests of such Person(s) may be directly adverse to Buyer, the Company or its Subsidiaries and even though Kirkland & Ellis LLP may have represented the Company or its Subsidiaries in a matter substantially related to such dispute. Buyer and the Company (on behalf of itself and its Subsidiaries) also further agree that, as to all communications among Kirkland & Ellis LLP and the Company, its Subsidiaries, and Seller or Seller's Affiliates and representatives, that relate in any way to the transactions contemplated by this Agreement, the attorney-client privilege and the expectation of client confidence belongs to Seller and may be controlled by Seller and will not pass to or be claimed by Buyer, the Company or any of its Subsidiaries. Notwithstanding the foregoing, in the event that a dispute arises between Buyer, the Company or any of its Subsidiaries and a third party other than a party to this Agreement after the Closing, the Company and its Subsidiaries may assert the attorney-client privilege to prevent disclosure of confidential communications by Kirkland & Ellis LLP to such third party; provided, however, that neither the Company nor any such Subsidiary may waive such privilege without the prior written consent of Seller.

9.15 No Additional Representations; Disclaimer; Non-Recourse.

(a) Buyer acknowledges that it has conducted to its satisfaction an independent investigation and verification of the financial condition, results of operations, assets, liabilities, properties and projected operations of the Company and its Subsidiaries, and, in making its determination to proceed with the transactions contemplated by this Agreement, Buyer has relied solely on the results of its own independent investigation and verification and the representations and warranties of the Company and Seller expressly and specifically set forth in Article III and Article IV, as qualified by the Company Disclosure Schedule. The representations and warranties of the Company and Seller expressly and specifically set forth in Article III and Article IV constitute the sole and exclusive representations, warranties, and statements of any kind of any of the Company and Seller to Buyer in connection with the transactions contemplated hereby, and Buyer understands, acknowledges and agrees that all other representations, warranties, and statements of any kind or nature expressed or implied (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of the Company or any of its Subsidiaries, or the quality, quantity or condition of the Company's or its Subsidiaries' assets) are specifically disclaimed by the Company and Seller. All representations and warranties set forth in this Agreement are contractual in nature only and subject to the sole and exclusive remedies set forth herein. No Person is asserting the truth of any representation and warranty set forth in this Agreement; rather the parties have agreed that should any representations and warranties of any party prove untrue, the other party shall have the specific rights and remedies herein specified as the exclusive remedy therefor, but that no other rights, remedies or causes of action (whether in law or in equity or whether in contract or in tort) are permitted to any party hereto as a result of the untruth of any such representation and warranty. BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT,

EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND SELLER SET FORTH IN ARTICLE III AND ARTICLE IV, (X) BUYER IS ACQUIRING THE COMPANY ON AN "AS IS, WHERE IS" BASIS AND (Y) NONE OF THE COMPANY, SELLER OR ANY OTHER PERSON (INCLUDING, ANY STOCKHOLDER, MEMBER, OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF ANY OF THE FOREGOING, WHETHER IN ANY INDIVIDUAL, CORPORATE OR ANY OTHER CAPACITY) IS MAKING, AND BUYER IS NOT RELYING ON, ANY REPRESENTATIONS, WARRANTIES, OR OTHER STATEMENTS OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO ANY MATTER CONCERNING THE COMPANY OR ANY OF ITS SUBSIDIARIES, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION PROVIDED TO (OR OTHERWISE ACQUIRED BY) BUYER OR ANY OF BUYER'S REPRESENTATIVES.

(b) Except as expressly provided for in the Guaranty, no past, present or future director, officer, employee, incorporator, member, partner, stockholder, Affiliate, agent, attorney or representative of the Company, Seller or any of their respective Affiliates (including SOSP) (collectively, the "**Equityholder Parties**"), will have or be subject to any liability or indemnification obligation (whether in contract or in tort) to Buyer or any other Person resulting from (nor will Buyer have any claim with respect to) (i) the distribution to Buyer, or Buyer's use of, or reliance on, any information, documents, projections, forecasts or other material made available to Buyer in certain "data rooms," confidential information memoranda or management presentations in expectation of, or in connection with, the transactions contemplated by this Agreement, or (ii) any claim based on, in respect of, or by reason of, the sale and purchase of the Company or otherwise with respect to the pre-Closing conduct of the Company and its Subsidiaries, including, without limitation, any alleged non-disclosure or misrepresentations made by any such Persons, in each case, regardless of the legal theory under which such liability or obligation may be sought to be imposed, whether sounding in contract or tort, or whether at law or in equity, or otherwise.

(c) In connection with the investigation by Buyer of the Company and its Subsidiaries, Buyer has received or may receive from the Company or its Subsidiaries certain projections, forward-looking statements and other forecasts and certain business plan information. Buyer acknowledges that there are uncertainties inherent in attempting to make such estimates, projections and other forecasts and plans, that Buyer is familiar with such uncertainties, that Buyer is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections and other forecasts and plans so furnished to it (including the reasonableness of the assumptions underlying such estimates, projections, forecasts or plans), and that Buyer will have no claim against anyone with respect thereto. Accordingly, Buyer acknowledges that neither the Company, Seller, nor any member, officer, director, employee or agent of any of the foregoing, whether in an individual, corporate or any other capacity, make any representation, warranty, or other statement with respect to, and Buyer is not relying on, such estimates, projections, forecasts or plans (including the reasonableness of the

assumptions underlying such estimates, projections, forecasts or plans), and Buyer agrees that it has not relied thereon.

9.16 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

9.17 Effect of Disclosure. Disclosure of any item in any part of the Disclosure Schedules shall be deemed to be disclosed on any other Schedule of the Disclosure Schedules where its applicability to, relevance as an exception to, or disclosure for purposes of, such other representation or warranty is reasonably apparent on its face; provided that an express cross reference is provided to such other Schedule of the Disclosure Schedule.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the Effective Date. by their respective officers thereunto duly authorized.

BUYER

ASURE SOFTWARE, INC.

/s/ Patrick Goepel
By: Patrick Goepel
Its: President and Chief Executive Officer

SELLER

iSYSTEMS HOLDINGS, LLC

/s/ Daniel Gill
By: Daniel Gill
Its: President

THE COMPANY

iSYSTEMS INTERMEDIATE HOLDCO, INC.

/s/ Daniel Gill
By: Daniel Gill
Its: President

Exhibit 10.2

INVESTOR RIGHTS AGREEMENT

THIS INVESTOR RIGHTS AGREEMENT (this "Agreement") is made as of May 25, 2017, by and between Asure Software, Inc., a Delaware corporation (the "Company"), iSystems Holdings, LLC, a Delaware limited liability company ("iSystems") and each other Person who becomes a party to this Agreement after the date hereof pursuant to Section 13(f). Certain capitalized terms used herein are defined in Section 11.

The Company, iSystems and certain other Persons are parties to that certain Equity Purchase Agreement, dated as of May 25, 2017 (as amended, modified, supplemented or waived from time to time, the "Purchase Agreement") pursuant to which the Company is acquiring all of the issued and outstanding equity interests of iSystems Intermediate Holdco, Inc. and, in partial consideration therefor, iSystems is receiving shares of common stock of the Company.

The execution and delivery of this Agreement by the Company is a condition to iSystems' obligations under the Purchase Agreement, and the execution and delivery of this Agreement by iSystems is a condition to the Company's obligations under the Purchase Agreement.

The parties hereto, intending to be legally bound, hereby agree as follows:

1. Demand Registration.

(a) Request for Registration. At any time and from time to time after the expiration of the Lock-Up Period (as defined in that certain Lock-Up Letter dated the date hereof from iSystems Holdings, LLC to Roth Capital Partners, LLC (the "Lock-Up Agreement")), holders of Registrable Securities may by written notice to the Company (a "Demand Notice"), to the extent permitted in accordance with Section 1(b) and Section 1(c) hereof, request registration under the Securities Act of all or any portion of their Registrable Securities (i) on Form S-1 or any similar long-form registration ("Long-Form Registration") and/or (ii) on Form S-3 (including pursuant to Rule 415 under the Securities Act) or any similar short-form registration ("Short-Form Registration"); provided, that, unless otherwise agreed by the Company, no registration statement must be filed in respect to a Demand Registration with the Securities and Exchange Commission prior to the earlier of (x) five (5) Business Days after the filing of the Company's Form 10-K for the year ended December 31, 2017 and (y) March 31, 2018; and provided, further that, unless otherwise agreed to by the Company, the closing of the sale of such Registrable Securities shall not occur prior to May 25, 2018. For the avoidance of doubt, iSystems acknowledges and agrees that it is party to the Lock-Up Agreement and that no registration statement must be filed during the Lock-Up Period. Any registration requested pursuant to this Section 1(a) is referred to herein as a "Demand Registration". Each request for a Demand Registration shall specify the approximate number of Registrable Securities requested to be registered. The Company shall give prompt written notice of such requested registration to all other holders of Registrable Securities (which notice shall be given at least 20 days prior to the date the applicable registration statement is to be filed) and, subject to the remainder of this Section 1, shall include in such registration (and in all related registrations and qualifications under state blue sky laws or in compliance with other registration requirements and in any related underwriting) all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 15 days after the receipt of the Company's notice. Notwithstanding the provisions of this Section 1(a) to the contrary, as long as the Company determines that such delay would not impair the ability of holders of Registrable Securities to participate in such registration (*e.g.*, because the registration statement therefor is likely to be reviewed by the Securities and Exchange Commission and/or such offering will not be completed until at least 20 days after the registration statement therefor is filed), at the request of the holders requesting such registration, the Company shall delay the notice of a Demand Registration requested in accordance with this Section 1

until the day after the registration statement with respect to such Demand Registration is filed, in which case, subject to the remainder of this Section 1, the Company shall include in such registration (and in all related registrations and qualifications under state blue sky laws or in compliance with other registration requirements and in any related underwriting) all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 15 days after the receipt of the Company's notice; provided that in no event shall such Demand Registration be closed unless such notice has been provided at least 20 days prior to the closing thereof. Notwithstanding anything herein to the contrary, unless otherwise consented to by the holders of Registrable Securities initially requesting such registration, no other holder to whom such notice is provided may include in such Demand Registration a greater percentage of such holder's Registrable Securities than the percentage of Registrable Securities included by the holders requesting such registration.

(b) Long-Form Registration. At any time and from time to time after the date hereof, the iSystems Majority Holders shall be entitled to request two (2) Long-Form Registrations; provided, that, unless otherwise agreed by the Company, no registration statement must be filed in respect to a Demand Registration with the Securities and Exchange Commission prior to the earlier of (x) five (5) Business days after the filing of the Company's Form 10-K for the year ended December 31, 2017 and (y) March 31, 2018; provided, further, that, unless otherwise agreed by the Company (i) the closing of the sale of such Registrable Securities shall not occur prior to May [ ], 2018 and (ii) a Long-Form Registration may only be requested by the iSystems Majority Holders if, at the time of such request, the Company is not eligible to file a Short Form Registration. All Long-Form Registrations shall be underwritten registrations if requested by the holders of a majority of the Registrable Securities initially requesting such registration. The Company shall pay all Registration Expenses in connection with any registration initiated as a Long-Form Registration, whether or not it becomes effective. A registration shall not count as one of the permitted Long-Form Registrations until it has become effective and no registration shall count as one of the permitted Long-Form Registrations unless the holders of Registrable Securities are able to register and sell at least 90% of the Registrable Securities requested to be included in such registration within the price range acceptable to the holders of a majority of the Registrable Securities initially requesting registration (with it being understood and agreed that a holder of Registrable Securities instituting a Demand Registration shall be entitled to withdraw his, her or its request to effect a Long-Form Registration at any time prior to the effectiveness thereof, in which case such registration shall not proceed with respect to any holder and such registration shall not thereafter count as one of the permitted Long-Form Registrations). In no event shall any holder of Registrable Securities have liability to another for determining to withdraw its request for registration.

(c) Short-Form Registration. In addition to the Long-Form Registrations provided pursuant to Section 1(b), the iSystems Majority Holders shall be entitled to request an unlimited number of Short-Form Registrations and the Company shall pay all Registration Expenses; provided, that, unless otherwise agreed by the Company, no registration statement must be filed in respect to a Demand Registration with the Securities and Exchange Commission prior to the earlier of (x) the five (5) Business Days after filing of the Company's Form 10-K for the year ended December 31, 2017 and (y) March 31, 2018; provided, further, that, unless otherwise agreed by the Company, (i) the closing of the sale of such Registrable Securities shall not occur prior to May 25, 2018 and (ii) the iSystems Majority Holders shall only be entitled to request one (1) Short Form Registration in any twelve (12) month period. The Company shall use its reasonable best efforts to make any Short-Form Registration on Form S-3 available for the sale of Registrable Securities as promptly as practicable under applicable law. The iSystems Majority Holders may, in connection with any Demand Registration requested by such holder that is a Short-Form Registration, require the Company to file such Short-Form Registration with the Securities and Exchange Commission in accordance with and pursuant to Rule 415 under the Securities Act (or any successor rule then in effect) (a "Shelf Registration") for the sale or distribution by the holders of Registrable Securities on a delayed or continuous basis pursuant to Rule 415 of the Securities Act,

including by way of an underwritten offering, block sale or other distribution plan, and the Company shall use its reasonable best efforts to cause such registration statement to be filed and declared effective under the Securities Act in accordance with Section 4 hereof. Once effective, the Company shall cause the Shelf Registration to remain effective for a period ending on the earliest of (i) the date on which all Registrable Securities included in such registration have been sold or distributed pursuant to the Shelf Registration[and (ii) the second anniversary of the effective date of the Shelf Registration.

(d) Priority on Demand Registrations. The Company shall not include in any Demand Registration any securities which are not Registrable Securities without the prior written consent of the holders of at least 50% of the Registrable Securities included in such registration. If a Demand Registration is an underwritten offering and the managing underwriters advise the Company that in their opinion the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such offering exceeds the number of Registrable Securities and other securities, if any, which can be sold in an orderly manner in such offering within the price range acceptable to the holders of a majority of the Registrable Securities initially requesting registration, the Company will include in such registration (i) first, the number of Registrable Securities requested to be included in such registration which in the opinion of such underwriters can be sold in such manner in the acceptable price range, pro rata among the respective holders thereof on the basis of the number of Registrable Securities owned by each such holder and (ii) second, other securities requested to be included in such Demand Registration, pro rata among the holders of such securities on the basis of the number of such securities owned by each such holder. Notwithstanding anything herein to the contrary, if the managing underwriters determine that the inclusion of the number of Registrable Securities held by management of the Company proposed to be included in any such offering would adversely affect the marketability of such offering, the Company may exclude such number of Registrable Securities held by management as necessary or desirable to negate such adverse impact. Any Persons other than holders of Registrable Securities who participate in Demand Registrations which are not at the Company's expense must pay their share of the Registration Expenses as provided in Section 5 hereof.

(e) Restrictions on Demand Registration. The Company shall not be obligated to effect any Demand Registration within 90 days after the effective date of a previous Demand Registration. The Company may, at its option, (i) defer any registration or offering of Registrable Securities in response to a Demand Notice or Take-Down Notice or (ii) require holders to suspend any offering of Registrable Securities, in either case for no more than 120 days in each 360-day period:

(i) if the Company is subject to any of its customary suspension or blackout periods, for all or part of such period;

(ii) upon issuance by the Securities and Exchange Commission of a stop order suspending the effectiveness of any registration statement with respect to Investor Registrable Securities or the initiation of proceedings with respect to such registration statement under Section 8(d) or 8(e) of the Securities Act;

(iii) if the Company believes that any such registration or offering (x) should not be undertaken because it would reasonably be expected to materially interfere with any material transaction or corporate development or plan or (y) would require the Company, under applicable securities laws and other laws, to make disclosure of material nonpublic information that would not otherwise be required to be disclosed at that time and the Company believes in good faith that such disclosures at that time would not be in the Company's best interests, provided that this exception (y) shall continue to apply only during the time that such material nonpublic information has not been disclosed and remains material;

(iv) if the Company elects at such time to offer Common Stock or other equity securities of the Company to (x) fund a merger, third-party tender offer or other business combination, acquisition of assets or similar transaction or (y) meet rating agency and other capital funding requirements;

(v) if the Company is pursuing a primary underwritten offering of Common Stock pursuant to a registration statement; provided that the holders of Registrable Securities shall have Piggyback Registration rights with respect to such primary underwritten offering in accordance with and subject to the restrictions set forth in Section 3; and

(vi) if the Board of the Company determines the registration or offering would have a material adverse effect on the Company;

provided that, in the case of a deferral by the Company of a Demand Registration, the holders of Registrable Securities will be entitled to withdraw such request and, if such request is withdrawn, such Demand Registration will not count as a Demand Registration and the Company will pay all Registration Expenses in connection with such requested registration. Upon the occurrence of any of the conditions described in (i) through (vi) above, the Company shall give prompt notice of such deferral or suspension (a "Suspension Notice") to each of seller of Registrable Securities included in any applicable registration statement. Upon the termination of such condition, the Company shall give prompt notice thereof (a "Suspension Termination Notice") to any sellers to whom a Suspension Notice was delivered. The Company shall promptly proceed with any Demand Registration that was suspended pursuant to this Section 1(e); provided further that in no event shall the restrictions set forth in this sentence be deemed to apply to a redemption or repurchase of, or plan to redeem or repurchase, capital stock, options or warrants of the Company.

(f) Selection of Underwriters. The holders of a majority of the Registrable Securities requesting a Demand Registration shall be entitled to select the underwriters to manage any Demand Registration; provided that, by written notice to such holders, the Company may, by written notice to such holders, object to one underwriter for all such registrations and if the holders determine such objection is reasonable, the holders shall not use such underwriter to manage any Demand Registration.

2. Piggyback Registrations.

(a) Right to Piggyback. If, at any time after May 25, 2018, the Company proposes to register any of its equity securities (including any proposed registration of the Company's securities by any third party) under the Securities Act (other than (i) pursuant to a Demand Registration, which is governed by Section 1, or (ii) pursuant to a registration on Form S-4 or S-8 or any successor or similar forms), whether or not for sale for its own account, and the registration form to be used may be used for the registration of Registrable Securities (a "Piggyback Registration"), the Company shall give prompt written notice to all holders of Registrable Securities of its intention to effect such a registration (which notice shall be given at least 20 days prior to the date the applicable registration statement is to be filed) and, subject to Sections 2(c) and 2(d), shall include in such registration (and in all related registrations and qualifications under state blue sky laws or in compliance with other registration requirements and in any related underwriting) all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 15 days after the receipt of the Company's notice. Notwithstanding the provisions of this Section 2(a) to the contrary, as long as the Company determines that such delay would not impair the ability of holders of Registrable Securities to participate in such registration (*e.g.*, because the registration statement therefor is likely to be reviewed by the Securities and Exchange Commission and/or such offering will not be completed until at least 20 days after the registration statement therefor is filed), the Company may delay the notice of a Piggyback Registration until the day after the registration statement with respect to such Piggyback Registration is filed, in which

case, subject to the remainder of this Section 2, the Company shall include in such registration (and in all related registrations and qualifications under state blue sky laws or in compliance with other registration requirements and in any related underwriting) all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 15 days after the receipt of the Company's notice; provided that in no event shall such Demand Registration be closed unless such notice has been provided at least 20 days prior to the closing thereof.

(b) Piggyback Expenses. Subject to the qualifications set forth in Section 5(b), the Registration Expenses of the holders of Registrable Securities shall be paid by the Company in all Piggyback Registrations.

(c) Priority on Primary Registrations. If a Piggyback Registration is an underwritten primary registration on behalf of the Company, and the managing underwriters advise the Company that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the Company, the Company shall include in such registration (i) first, the securities the Company proposes to sell, (ii) second, the Registrable Securities requested to be included in such registration, pro rata among the holders of such Registrable Securities on the basis of the amount of such securities owned by each such holder, and (iii) third, the other securities requested to be included in such registration pro rata among the holders of such securities on the basis of the amount of such securities shares owned by each such holder. Notwithstanding anything herein to the contrary, if the managing underwriters determine that the inclusion of Registrable Securities held by management of the Company proposed to be included in any such offering would adversely affect the marketability of such offering, the Company may exclude such number of Registrable Securities held by management of the Company pro rata as necessary or desirable to negate such adverse impact.

(d) Priority on Secondary Registrations. If a Piggyback Registration is an underwritten secondary registration on behalf of holders of the Company's securities other than a Demand Registration (a "Secondary Registration"), and the managing underwriters advise the Company that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold without adversely affecting the marketability of the offering, the Company shall include in such registration (i) first, except to the extent otherwise previously agreed to by holders of a majority of the Registrable Securities, the securities requested to be included therein by the holders requesting such registration, together with the Registrable Securities requested to be included in such registration, pro rata among the holders of such securities and Registrable Securities on the basis of the amount of such securities owned by each such holder, and (ii) second, other securities requested to be included in such registration pro rata among the holders of such securities on the basis of the amount of such securities owned by each such holder. Notwithstanding anything herein to the contrary, if the managing underwriters determine that the inclusion of Registrable Securities held by management of the Company proposed to be included in any such offering would adversely affect the marketability of such offering, the Company may exclude such number of Registrable Securities held by management of the Company pro rata as necessary or desirable to negate such adverse impact.

(e) Selection of Underwriters. If any Piggyback Registration is an underwritten offering, the Company will have the right to select the investment banker(s) and manager(s) for the offering.

(f) Obligations of Seller. During such time as any holder of Registrable Securities may be engaged in a distribution of securities pursuant to an underwritten Piggyback Registration, such holder shall distribute such securities only under the registration statement and solely in the manner described in the registration statement.

(g) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2 whether or not any holder of Registrable Securities has elected to include securities in such registration. The Registration Expenses of such withdrawn registration shall be borne by the Company in accordance with Section 5 hereof.

3. Holdback Agreements.

(a) The Company shall not effect any public sale or distribution of its Common Stock or any securities convertible into or exchangeable or exercisable for its Common Stock during (a) with respect to any underwritten Demand Registration or any underwritten Piggyback Registration in which Registrable Securities are included, the seven (7) days prior to and the ninety (90)-day period beginning on the effective date of such registration, and (b) upon notice from any holders of the Registrable Securities of the intention to effect an underwritten offering of Registrable Securities pursuant to a Shelf Registration, the seven (7) days prior to and the ninety (90)-day period beginning on the date of the commencement of such distribution; in each case except as part of such underwritten registration or pursuant to registrations on Form S-4 or Form S-8, and in each case unless the managing underwriter(s) otherwise requires.

(b) No holder of Registrable Securities shall effect any public sale or distribution of any Common Stock or any securities convertible into or exchangeable or exercisable for Common Stock during (a) with respect to any underwritten Demand Registration or any underwritten Piggyback Registration in which Registrable Securities are included, the seven days prior to and the 90-day period beginning on the date of the commencement of such registration, and (b) upon notice from the Company of the commencement of an underwritten distribution of its Common Stock, the seven days prior to and the 90-day period beginning on the date of the commencement of such distribution; in each case except as part of such underwritten registration or pursuant to registrations on Form S-4 or Form S-8, and in each case unless the managing underwriter(s) otherwise requires. Each holder of Registrable Securities shall execute and deliver all agreements requested by the managing underwriters for a registered offering by the Company that is consistent with the foregoing. The obligations under this clause (b) shall terminate as to each holder of Registrable Securities who owns less than three percent (3%) of the outstanding shares of Common Stock of the Company. In no event shall this Section 3(b) or any agreement with the underwriters limit a holder's rights under Section 2 hereof or extend any suspension period beyond what is permitted pursuant to Section 1(e) hereof unless consented to by the iSystems Majority Holders.

4. Registration Procedures. Whenever the holders of Registrable Securities have requested that any Registrable Securities be registered pursuant to this Agreement, the Company shall use its reasonable best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof, and pursuant thereto the Company shall as expeditiously as practicable:

(a) in accordance with the Securities Act and all applicable rules and regulations promulgated thereunder, prepare and, within 60 days after receipt of a Demand Notice, file with the Securities and Exchange Commission a registration statement, and all amendments and supplements thereto and related prospectuses, with respect to such Registrable Securities and use its reasonable best efforts to cause such registration statement to become effective (provided that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company shall furnish to the counsel selected by the holders of a majority of the Registrable Securities covered by such registration statement copies of all such documents proposed to be filed), and include in any Short-Form Registration such additional information reasonably requested by a majority of the Registrable Securities registered under the applicable registration statement, or the underwriters, if any, for marketing purposes, whether or

not required by applicable securities laws, but only to the extent such information does not contravene applicable securities laws or include information not readily in the possession of the Company;

(b) notify each holder of Registrable Securities of the effectiveness of each registration statement filed hereunder and prepare and file with the Securities and Exchange Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period ending on the earliest of (1) the date on which all Registrable Securities have been sold pursuant to the Shelf Registration or have otherwise ceased to be Registrable Securities, (2) the second anniversary of the effective date of such Shelf Registration, and (3) when all such Registrable Securities are freely saleable under Rules 144 and 145 under the Securities Act, and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement;

(c) furnish to each seller of Registrable Securities thereunder such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus), each Free Writing Prospectus and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller;

(d) use its reasonable best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any seller reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller (provided that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subsection or (ii) consent to general service of process in any such jurisdiction or (iii) subject itself to taxation in any such jurisdiction);

(e) notify each seller of such Registrable Securities, (i) promptly after it receives notice thereof, of the date and time when such registration statement and each post-effective amendment thereto has become effective or a prospectus or supplement to any prospectus relating to a registration statement has been filed and when any registration or qualification has become effective under a state securities or blue sky law or any exemption thereunder has been obtained, (ii) promptly after receipt thereof, of any request by the Securities and Exchange Commission for the amendment or supplementing of such registration statement or prospectus or for additional information, and (iii) at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading, and, at the request of any such seller, the Company shall prepare a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading;

(f) prepare and file promptly with the Securities and Exchange Commission, and notify such holders of Registrable Securities prior to the filing of, such amendments or supplements to such registration statement or prospectus as may be necessary to correct any statements or omissions if, at the time when a prospectus relating to such securities is required to be delivered under the Securities Act, when any event has occurred as the result of which any such prospectus or any other prospectus as then in effect would include an 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 not misleading, and, in case an of such holders

of Registrable Securities or any underwriter for any such holders is required to deliver a prospectus at a time when the prospectus then in circulation is not in compliance with the Securities Act or the rules and regulations promulgated thereunder, the Company shall use its reasonable best efforts to prepare promptly upon request of any such holder or underwriter such amendments or supplements to such registration statement and prospectus as may be necessary in order for such prospectus to comply with the requirements of the Securities Act and such rules and regulations;

(g) cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed;

(h) provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement;

(i) enter into and perform such customary agreements (including underwriting agreements in customary form) and take all such other actions as the holders of a majority of the Registrable Securities being sold or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including, without limitation, participation in "road shows," investor presentations and marketing events and effecting a stock split or a combination of shares);

(j) upon execution of confidentiality agreements in form and substance reasonably satisfactory to the Company, make available, upon reasonable notice and during normal business hours, for inspection by any seller of Registrable Securities, any underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other agent retained by any such seller or underwriter, all financial and other records, pertinent corporate documents and properties of the Company as shall be reasonably necessary or desirable to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors, employees and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement; provided, that unless the disclosure of such information is necessary to avoid or correct a misstatement or omission in such registration statement or the release of such information is ordered by a court of competent jurisdiction, the Company shall not be required to provide any information under this Section 4(j) if the Company believes, after consultation with its counsel, that to do so would cause the Company to forfeit its attorney-client privilege that was applicable to such information.

(k) take all reasonable actions to ensure that any Free-Writing Prospectus utilized in connection with any Demand Registration or Piggyback Registration hereunder complies in all material respects with the Securities Act, is filed in accordance with the Securities Act to the extent required thereby, is retained in accordance with the Securities Act to the extent required thereby and, when taken together with the related prospectus, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(l) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the Securities and Exchange Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months beginning with the first day of the Company's first full calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(m) permit any holder of Registrable Securities which holder, in its sole and exclusive judgment, might be deemed to be an underwriter or a controlling person of the Company, to participate in the preparation of such registration or comparable statement and to require the insertion therein of material, furnished to the Company in writing, which in the reasonable judgment of such holder and its counsel should be included;

(n) the Company agrees to file all reports and supplements which are required to be filed by the Company under the Securities Act so that it may be eligible to effect any registration of Registrable Securities on Form S-3 or any comparable form, successor form or other form if such form is available for use by the Company;

(o) obtain one or more comfort letters, dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, dated the date of the closing under the underwriting agreement), signed by the Company's independent public accountants (and, unless waived in writing by holders of a majority of the Registrable Securities participating in such registration, on which the holders of Registrable Securities participating in such registration are expressly entitled to rely) in the then-current customary form and covering such matters of the type customarily covered from time to time by comfort letters as the holders of a majority of the Registrable Securities being sold reasonably request;

(p) provide a legal opinion of the Company's outside counsel (and, unless waived in writing by holders of a majority of the Registrable Securities participating in such registration, on which the holders of Registrable Securities participating in such registration are expressly entitled to rely), dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, dated the date of the closing under the underwriting agreement), with respect to the registration statement, each amendment and supplement thereto, the prospectus included therein (including the preliminary prospectus) and such other documents relating thereto in the then-current customary form and covering such matters of the type customarily covered from time to time by legal opinions of such nature; and

(q) use its reasonable best efforts to prevent the issuance of any stop order suspending the effectiveness of a registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any common stock included in such registration statement for sale in any jurisdiction, and in the event of the issuance of any such stop order or other such order the Company shall advise such holders of Registrable Securities of such stop order or other such order promptly after it shall receive notice or obtain knowledge thereof and shall use its reasonable best efforts promptly to obtain the withdrawal of such order.

If any such registration or comparable statement refers to any holder by name or otherwise as the holder of any securities of the Company and if, in its sole and exclusive judgment, such holder is or might be deemed to be an underwriter or a controlling person of the Company, such holder shall have the right to require (i) the insertion therein of language, in form and substance satisfactory to such holder and presented to the Company in writing, to the effect that the holding by such holder of such securities is not to be construed as a recommendation by such holder of the investment quality of the Company's securities covered thereby and that such holding does not imply that such holder shall assist in meeting any future financial requirements of the Company, or (ii) in the event that such reference to such holder by name or otherwise is not required by the Securities Act or any similar Federal statute then in force, the deletion of the reference to such holder; provided that with respect to this clause (ii) such holder shall furnish to the Company an opinion of counsel to such effect, which opinion and counsel shall be reasonably satisfactory to the Company.

5. Registration Expenses.

(a) Subject to Section 5(b), all expenses incident to the Company's performance of or compliance with this Agreement, including without limitation all registration and filing fees, fees and expenses of compliance with securities or blue sky laws, printing expenses, travel expenses, filing expenses, messenger and delivery expenses, fees and disbursements of custodians, fees and disbursements of counsel for the Company and fees and disbursements of all independent certified public accountants, underwriters (including, if necessary, a "qualified independent underwriter" within the meaning of the rules of the National Association of Securities Dealers, Inc.) (excluding underwriting discounts and commissions) and other Persons retained by the Company (all such expenses being herein called "Registration Expenses"), shall be borne by the Company, except as otherwise expressly provided in this Agreement, except that the Company shall, in any event, pay its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit or quarterly review, the expense of any liability insurance and the expenses and fees for listing the securities to be registered on each securities exchange on which similar securities issued by the Company are then listed or on the NASD automated quotation system (or any successor or similar system).

(b) In connection with each Demand Registration, each Piggyback Registration, each Shelf Registration and each Shelf Offering, the Company shall reimburse the holders of Registrable Securities included in such registration for the reasonable fees and disbursements of one counsel chosen by the holders of a majority of the Registrable Securities included in such registration, in an amount not to exceed $75,000. Otherwise, all fees and expenses of such counsel shall be borne by the holder or holders of Registrable Securities for whom such services were rendered.

(c) To the extent Registration Expenses are not required to be paid by the Company or, in accordance with the last sentence of Section 5(b), borne by a particular holder of Registrable Securities, each holder of securities included in any registration hereunder shall pay those Registration Expenses allocable to the registration of such holder's securities so included, including any underwriting discounts or commissions, and any Registration Expenses not so allocable shall be borne by all sellers of securities included in such registration in proportion to the aggregate selling price of the securities to be so registered.

6. Indemnification.

(a) The Company agrees to indemnify, to the extent permitted by law, each holder of Registrable Securities, its officers and directors and each Person who controls such holder (within the meaning of the Securities Act) against all losses, claims, actions, damages, liabilities and expenses caused by any of the following statements, omissions or violations (each a "Violation") by the Company: (i) any untrue or alleged untrue statement of material fact contained in any registration statement, prospectus, preliminary prospectus or Free-Writing Prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any violation or alleged violation by the Company of the Securities Act or any other similar federal or state securities laws or any rule or regulation promulgated thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, qualification or compliance; provided that the Company shall have no obligation to provide the indemnification set forth in this Section 6(a) to any holder to the extent such Violation arose from a statement provided in writing to the Company by such holder for inclusion in such registration statement, prospectus, preliminary prospectus or Free-Writing Prospectus or any amendment thereof or supplement thereto. The Company shall pay to each holder of Registrable Securities, its officers and directors and each Person who controls such holder (within the meaning of the Securities

Act) entitled to such indemnification, as incurred, any legal and any other expenses reasonably incurred in connection with investigating, preparing or defending any such claim, loss, damage, liability or action, except insofar as the same are caused by or contained in any information furnished in writing to the Company by such holder expressly for use therein. In connection with an underwritten offering, the Company shall indemnify such underwriters, their officers and directors and each Person who controls such underwriters (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of the holders of Registrable Securities.

(b) In connection with any registration statement in which a holder of Registrable Securities is participating, each such holder shall furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such registration statement or prospectus and, to the extent permitted by law, shall indemnify the Company, its directors and officers and each Person who controls the Company (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expenses resulting from any untrue or alleged untrue statement of material fact contained in the registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by such holder; provided that the obligation to indemnify shall be individual, not joint and several, for each holder and shall be limited to the net amount of proceeds received by such holder from the sale of Registrable Securities pursuant to such registration statement.

(c) Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any Person's right to indemnification hereunder to the extent such failure has not prejudiced the indemnifying party) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld, conditioned or delayed). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. In such instance, the conflicting indemnified parties shall have a right to retain one separate counsel, chosen by the holders of a majority of the Registrable Securities included in the registration, at the expense of the indemnifying party. No indemnifying party, in the defense of such claim or litigation, shall, except with the consent of each indemnified party, consent to the entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

(d) If the indemnification provided for in this Section 6 is held by a court of competent jurisdiction to be unavailable to an indemnified party or is otherwise unenforceable with respect to any loss, claim, damage, liability or action referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amounts paid or payable by such indemnified party as a result of such loss, claim, damage, liability or action in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other hand in connection with the statements or omissions which resulted in such loss, claim, damage, liability or action as well as any other relevant equitable considerations; provided that the maximum amount of liability in respect of such contribution shall be limited, in the case of each seller of

Registrable Securities, to an amount equal to the net proceeds actually received by such seller from the sale of Registrable Securities effected pursuant to such registration. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just or equitable if the contribution pursuant to this Section 6(d) were to be determined by pro rata allocation or by any other method of allocation that does not take into account such equitable considerations. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or expenses referred to herein shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending against any action or claim which is the subject hereof. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who is not guilty of such fraudulent misrepresentation.

(e) The indemnification and contribution provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and shall survive the transfer of securities.

(f) No indemnifying party shall, except with the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

7. Participation in Underwritten Registrations; Shelf Registrations.

(a) Participation in Underwritten Registrations.

(i) No Person may participate in any registration hereunder which is underwritten unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements (including pursuant to any over-allotment or "green shoe" option requested by the underwriters); provided that no holder of Registrable Securities shall be required to sell more than the number of Registrable Securities such holder has requested to include and (ii) completes and executes all questionnaires, powers of attorney, custody agreements, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements; provided that in no event shall any holder of Registrable Securities be required to indemnify any underwriter or other Person in any manner other than that which is specifically set forth in Section 6(b) with respect to its indemnification obligations to the Company and other holders of Registrable Securities. Each holder of Registrable Securities agrees to execute and deliver such other agreements as may be reasonably requested by the Company and the lead managing underwriter(s) that are consistent with such holder's obligations under Section 3 or that are necessary to give further effect thereto. Without limiting any other right or remedy to which a party hereto may be entitled, any holder of Registrable Securities that does not comply with his, her or its obligations under this Section 7(a)(i) shall not be entitled to participate in the registration in question without violation of such holder's rights hereunder.

(ii) Each Person that is participating in any registration hereunder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4(e) above, such Person will forthwith discontinue the disposition of its

Registrable Securities pursuant to the registration statement until such Person's receipt of the copies of a supplemented or amended prospectus as contemplated by such Section 4(e). In the event the Company shall give any such notice, the applicable time period mentioned in Section 4(b) during which a Registration Statement is to remain effective shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to this Section 7(b) to and including the date when each seller of a Registrable Security covered by such registration statement shall have received the copies of the supplemented or amended prospectus contemplated by Section 4(e).

(b) Shelf Take-Downs. At any time that a Shelf Registration is effective, if any holder or group of holders of Registrable Securities delivers a notice to the Company (a "Take-Down Notice") stating that it intends to effect an offering or distribution of all or part of its Registrable Securities included by it on the Shelf Registration, whether such offering or distribution is on a delayed or continuous basis pursuant to Rule 415 of the Securities Act, including by way of an underwritten offering, non-underwritten offering, block sale or other distribution plan (a "Shelf Offering") and stating the number of the Registrable Securities to be included in the Shelf Offering, then the Company shall amend or supplement the Shelf Registration as may be necessary in order to enable such Registrable Securities to be distributed pursuant to the Shelf Offering (taking into account the inclusion of Registrable Securities by any other holders thereof pursuant to this Section 7(b)) and the Company shall (i) cooperate with the holder(s) and take all actions reasonably requested by such holder(s) in connection therewith and (ii) comply with its other obligations hereunder. In connection with any Shelf Offering:

(i) the Company shall, promptly after receipt of a Take-Down Notice, deliver such notice to any other holders of Registrable Securities included on such Shelf Registration and permit each holder to include its Registrable Securities included on the Shelf Registration in the Shelf Offering if such holder notifies the proposing holders and the Company within three (3) days after delivery of the Take-Down Notice to such holder, and

(ii) in the event that the managing underwriter(s), if any, advises the Company in writing that in its opinion the number of Registrable Securities to be included in such Shelf Offering exceeds the number of Registrable Securities which can be sold therein without adversely affecting the marketability of the offering, such underwriter(s), if any, may limit the number of shares which would otherwise be included in such take-down offering in the same manner as is described in Section 1(c).

No holder of Registrable Securities that has included Registrable Securities pursuant to a Shelf Registration shall be entitled to sell shares included as part of a Shelf Registration unless included as part of a Shelf Offering. Notwithstanding anything herein to the contrary, unless otherwise consented to by the holders of Registrable Securities initially requesting such Shelf Offering, no other holder to whom such notice is provided may include in such Shelf Offering a greater percentage of such holder's Registrable Securities than the percentage of Registrable Securities included by the holders requesting such Shelf Offering.

8. Rule 144 and Rule 144A Reporting. With a view to making available the benefits of certain rules and regulations of the Securities and Exchange Commission that may permit the sale of Registrable Securities to the public without registration, the Company agrees at all times after the Company has filed a registration statement with the Securities and Exchange Commission pursuant to the requirements of either the Securities Act or the Exchange Act to use its reasonable best efforts to: (a) make and keep public information regarding the Company available as those terms are understood and defined in Rule 144 and Rule 144A under the Securities Act; (b) file with the Securities and Exchange Commission in a timely manner all reports and other documents required of the Company under the

Securities Act and the Exchange Act; and (c) so long as a holder owns any Registrable Securities, furnish to the holder forthwith upon written request a written statement by the Company as to its compliance with the reporting requirements of Rule 144 and Rule 144A, and of the Securities Act and the Exchange Act, a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed as a holder may reasonably request in availing itself of any rule or regulation of the Securities and Exchange Commission allowing a holder to sell any such securities without registration.

9. Other Rights and Restrictions.

(a) Financial Statements and Other Information. At any time when (A) the iSystems Board Representative is not serving on the Board of the Company and (B) the iSystems Majority Holders hold more than the lesser of (x) 5% of the Company's Common Stock (as equitably adjusted for any stock splits, stock combinations, reorganizations, exchanges, merger, recapitalizations or similar transaction after the date hereof) and (y) 90% of the shares of Company Common Stock held by the iSystems Majority Holder as of the date hereof, the Company shall deliver to the iSystems Majority Holder:

(i) within 45 days after the end of each quarterly accounting period in each fiscal year, unaudited consolidating and consolidated statements of income and cash flows of the Company and its Subsidiaries for such quarterly period and for the period from the beginning of the fiscal year to the end of such quarter, and unaudited consolidating and consolidated balance sheets of the Company and its Subsidiaries as of the end of such quarterly period, setting forth in each case comparisons to the corresponding period in the preceding fiscal year, and all such items shall be prepared in accordance with GAAP and shall be certified by a senior executive officer of the Company; provided that, for as long as the Company is filing quarterly reports on From 10-Q pursuant to the Exchange Act, the Company's obligations under this clause (i) shall be deemed satisfied by timely filing of such report; and

(ii) within 90 days after the end of each fiscal year, consolidating and consolidated statements of income, cash flows and shareholders' equity of the Company and its Subsidiaries for such fiscal year, and consolidating and consolidated balance sheets of the Company and its Subsidiaries as of the end of such fiscal year, setting forth in each case comparisons to the preceding fiscal year, all prepared in accordance with GAAP, and accompanied by (a) with respect to the consolidated portions of such statements, an opinion containing no material exceptions or qualifications (except for qualifications regarding specified contingent liabilities) of an independent accounting firm of recognized national standing, and (b) when applicable, a copy of such firm's annual management letter to the Company's Board; provided that, for as long as the Company is filing annual reports on From 10-K pursuant to the Exchange Act, the Company's obligations under this clause (ii) shall be deemed satisfied by timely filing of such report.

Each of the financial statements referred to in subparagraphs (i) and (ii) above shall fairly present in all material respects in accordance with GAAP, the financial condition at such date and the results of operations and cash flows for such period, subject in the case of the unaudited financial statements to absence of footnote disclosure and changes resulting from normal year-end adjustments for recurring accruals (none of which would, alone or in the aggregate, be materially adverse to the business, results of operations, financial condition or operating results of the Company and its Subsidiaries taken as a whole).

(b) Inspection Rights. At any time when (A) the iSystems Board Representative is not serving on the Board of the Company and (B) the iSystems Majority Holders hold more than the lesser of (x) 5% of the Company's Common Stock (as equitably adjusted for any stock splits, stock combinations, reorganizations, exchanges, merger, recapitalizations or similar transactions after the date hereof) and (y)

90% of the shares of Company Common Stock held by the iSystems Majority Holder as of the date hereof, the Company shall permit, upon reasonable notice and during normal business hours, any Representatives designated by the iSystems Majority Holders, at such holder's own expense, to (i) visit and inspect any of the properties of the Company and its Subsidiaries, (ii) examine the corporate and financial records of the Company and its Subsidiaries and make copies thereof or extracts therefrom and (iii) discuss the affairs, finances and accounts of any such corporations with the directors, officers, key employees and independent accountants of the Company and its Subsidiaries; provided however that the Company shall have no obligation to disclose any particular document or piece of information pursuant to the rights granted under this Section 9(b), if the Company, in good faith, believes that the disclosure of such document or information would constitute a waiver of its attorney client privilege. The presentation of an executed copy of this agreement by the iSystems Majority Holders to the Company's independent accountants shall constitute the Company's permission to its independent accountants to participate in discussions with such Person.

(c) Confidentiality. To the extent that any such information made available to any holder of Registrable Securities pursuant to this Section 9 (including Section 9(a)) would require disclosure under Regulation FD, such holder shall, as a condition to receiving any such information that is not otherwise publicly available, agree in writing to keep such information confidential and not disclose such information to any Person (i) unless such Person agrees to keep such information confidential or (ii) except as may be required by applicable law (including securities law). Each holder of Registrable Securities party to this Agreement shall be deemed by its execution hereof to have satisfied the condition referred to in this Section 9(c) and, accordingly, the iSystems Board Representative may communicate with those holders of Registrable Securities and their direct and indirect limited partners or other equityholders who have agreed in writing to keep such information confidential and to comply with applicable securities laws regarding their investment in the Company without violation of any duty to, policy of or agreement with the Company. Any holder of Registrable Securities may, at any time and from time to time, deliver written notice to the Company that it does not desire to receive all or any portion of any material non-public information to which it is otherwise entitled (without prejudice to such holder's right to receive such information in the future).

(d) Corporate Governance. As long as any Registrable Securities are issued and outstanding, the Company will not, without the prior written consent of the iSystems Majority Holders (which may be withhold in their sole and absolute discretion), adopt any policy or take, or cause to be taken, directly or indirectly, any action, including making or failing to make any election under the law of any state, which has the effect, directly or indirectly, of restricting or limiting the ability of any holder of Registrable Securities freely to sell, transfer, assign, pledge or otherwise dispose of shares of the Company's capital stock or would restrict or limit the rights of any transferee of any holder of Registrable Securities as a holder of the Company's capital stock or to receive information from the iSystems Board Representative, other than the restrictions expressly agreed to herein, including the lock-up in Section 9(b)(i) or in any lock-up agreement executed by such holder after the date hereof or as may be required for the Company to comply with applicable securities laws or the requirements of NASDAQ or any other stock exchange listing shares of the Company's Common Stock. Without limiting the generality of the foregoing, the Company will not, as long as any Registrable Securities are issued and outstanding, without the prior written consent of the iSystems Majority Holders (which may be withhold in their sole and absolute discretion), take any action, or take any action to recommend to its stockholders any action, which would, among other things, limit the legal rights of, or deny any benefit to, any holder of Registrable Securities as a stockholder of the Company either (i) solely as a result of the amount of Common Stock owned by iSystems or (ii) in a manner not applicable to the Company's stockholders generally.

(e) Information to Competitor. The Company may, without violation of this Section 9, refuse to provide any information or grant access to any Person that is a competitor or its Representatives to the extent it determines that provision of such information or access to such Person or its Representatives would be reasonably likely to cause economic or competitive harm to the Company or its Subsidiaries or would be reasonably likely to result in a violation of applicable law; provided that, no Person or its Representatives may be prevented from receiving such information or access solely as a result of the Company's determination that provision of such information or access would cause a violation of applicable securities law if such Person or its Representatives acknowledge in writing the restrictions under applicable securities law about trading on material nonpublic information.

(f) Lock-Up.

(i) Until May 25, 2018, unless otherwise approved by the Company in writing or except as part of a merger or consolidation affecting the Company that has been recommended or approved by the Board or a tender offer for the Company's equity securities that has been recommended or approved by the Board, to the extent not inconsistent with applicable law, each holder of Registrable Securities shall not, directly or indirectly, sell, assign, pledge, transfer, offer to sell, make any short sale, grant any option for the purchase, or otherwise dispose of, or enter into any hedging or similar transaction with the same economic effect as a sale (including sales pursuant to Rule 144) of equity securities of the Company, or any securities, warrants, options or rights convertible into or exchangeable or exercisable for such securities.

(ii) Until May 25, 2018, holders of Registrable Securities will not vote any equity securities of the Company at meetings called or held for the purpose of electing directors of the Company or other purposes (or by consent action taken in lieu of such a meeting), (a) to seek, cause, promote or support the removal of any member of the Board (other than in accordance with the recommendation of the Board or any such action with respect to the iSystems Board Representative), or (b) to vote, or solicit, or participate with any other Person in the solicitation of, proxies, in order to vote, advise or influence any Person with respect to, and solely with respect to, the voting of shares of equity securities of the Company other than (x) in favor of each director that the Board recommends for election to the Board, (y) against any director that the Board has not nominated for election, and (z) in accordance with the recommendation of the Board on any other matters proposed by the Company or by one or more stockholders of the Company; provided that the foregoing shall not limit or restrict how any holder of Registrable Securities votes or consents in connection with (I) any proposed merger, acquisition, tender offer, share issuance, affiliate transaction or other business combination or extraordinary transaction for which the vote of the stockholders of the Company is sought, (II) any "say on pay" or other equity or cash compensation proposal relating to employees or other service providers of the Company or (III) any proposed amendment or modification to, or restatement of, the Company's certificate of incorporation (including, if requiring any vote of stockholders under Delaware law, any certificate of designation with respect thereto), on which proposals each holder of Registrable Securities may vote in its own absolute discretion.

10. Board Representatives. Subject to the limitations set forth in this Section 10, the iSystems Majority Holders shall have the right to designate one (1) representative for election to the

Board of the Company (the "iSystems Board Representative") until the iSystems Expiration Date. The terms and conditions governing the election, term of office, filling of vacancies and other features of such directorships shall be as follows:

(a) Interim Appointment of Directors. From and after the date of the Company's annual meeting of stockholders in 2017 at which directors will be elected (but in no event later than June 6, 2017) (the "Beginning Date") until the iSystems Expiration Date, the iSystems Majority Holders may nominate one (1) iSystems Board Representative to be elected to the Board which individual shall initially be Daniel Gill. Subject only to such actions not being in violation of the fiduciary duties of members of the Company's Board to the Company, applicable law or stock exchange requirements, the Company shall take all action necessary such that the number of directors on the Board of the Company shall (if necessary) be increased such that the iSystems Board Representative may then serve on the Board and such vacancy shall be filled by the designees of the iSystems Majority Holders, effective as of the day following the Beginning Date (or, if later, the date that the iSystems Majority Holders determine to appoint such iSystems Board Representative); provided that if the Company avoids its obligations under this sentence or this Section 10(a) because it deems such nomination to be in violation of fiduciary duties of members of the Board of the Company, applicable law or stock exchange requirements, the iSystems Majority Holders shall be entitled to appoint an alternative nominee to be the iSystems Board Representative who shall be reasonably acceptable to the Company. The iSystems Board Representative appointed pursuant to this Section 10(a) shall continue to hold office until such iSystems Board Representative's term expires, subject, however, to prior death, resignation, retirement, disqualification or termination of term of office as provided in this Section 10.

(b) Continuing Designation of iSystems Board Representative. Prior to the iSystems Expiration Date, in connection with the expiration of the term of any iSystems Board Representative, the Company shall, subject to the provisions of Section 10(c) and subject only to such nomination not being in violation of the fiduciary duties of members of the Board of the Company, applicable law or stock exchange requirements, nominate the iSystems Board Representative designated by the iSystems Majority Holders for election to the Board of the Company, which nominee shall be Daniel Gill or such other individual reasonably acceptable to the Company, and solicit proxies from the Company's stockholders in favor of the election of such iSystems Board Representative; provided that if the Company avoids its obligations under this sentence or this Section 10(b) because it deems such nomination to be in violation of fiduciary duties of members of the Board of the Company, applicable law or stock exchange requirements, the iSystems Majority Holders shall be entitled to appoint an alternative nominee to be the iSystems Board Representative who shall be reasonably acceptable to the Company. Subject to the provisions of Section 10(c), the Company shall use reasonable best efforts to cause such iSystems Board Representative to be elected to the Board of the Company (including voting all unrestricted proxies in favor of the election of such iSystems Board Representative and including recommending approval of such iSystems Board Representative's appointment to the Board of the Company as provided for in the Company's proxy statement) and shall not take any action which would diminish the prospects of such iSystems Board Representative of being elected to the Board of the Company.

(c) Termination of iSystems Board Representative Designation Rights. The right of the iSystems Majority Holders to designate an iSystems Board Representative pursuant to this Section 10 shall terminate on the iSystems Expiration Date.

(d) Resignation; Removal; and Vacancies.

(i) Resignation. An elected iSystems Board Representative may resign from the Company's Board at any time by giving written notice to the Company at its principal

executive office. The resignation is effective without acceptance when the notice is given to the Company, unless a later effective time is specified in the notice.

(ii) Removal. So long as the iSystems Majority Holders retain the right to designate a director pursuant to Section 10(b) and Section 10(c), the Company shall remove the iSystems Board Representative only if so directed in writing by the iSystems Majority Holders.

(iii) Vacancies. In the event of a vacancy on the Company's Board resulting from the death, disqualification, resignation, retirement, removal or termination of term of office of an iSystems Board Representative designated by the iSystems Majority Holders, then the Company shall use reasonable best efforts to fill such vacancy with a representative designated by the iSystems Majority Holders as provided hereunder, in either case to serve until the next annual or special meeting of the stockholders (and at such meeting, such representative, or another representative designated by such holders, will be elected to the Company's Board in the manner set forth in the Company's Bylaws). If the iSystems Majority Holders fail or decline to fill the vacancy, then the directorship shall remain open until such time as the iSystems Majority Holders elect to fill it with a representative designated hereunder.

(e) Fees & Expenses. The iSystems Board Representative shall be entitled to fees, other compensation and reimbursement of expenses commensurate with, and no less favorable than, those paid to members of the Company's Board who are not employees of the Company or its Subsidiaries.

(f) Subsidiary Boards; Committees. Subject to applicable law and the rules of any exchange on which the Company's securities are listed, at the request of the iSystems Majority Holders, as applicable, the Company shall use reasonable best efforts to cause the iSystems Board Representative to be appointed to the Boards of each Subsidiary of the Company (each, a "Sub Board") and each committee of the Board and each Sub Board. The iSystems Board Representative shall be appointed to any "executive" or similar committee of the Board and any Sub Board on which he serves.

(g) D&O Insurance. The Company and its Subsidiaries shall maintain a directors and officers liability insurance policy for the benefit of all directors and officers of the Company and its Subsidiaries (including, for the avoidance of doubt, the iSystems Board Representative) from an insurance carrier with the same or better credit rating as the Company's current insurance carrier and in an amount and scope at least as favorable as the Company's existing directors and officers liability insurance policy for so long as the iSystems Board Representative remains a director of the Company or any of its Subsidiaries.

(h) Reporting Information. With respect to the iSystems Board Representative designated pursuant to the provisions of this Section 10, the iSystems Majority Holders shall cause the iSystems Board Representative to provide to the Company with all necessary assistance and information related to such iSystems Board Representative that is required under Regulation 14A under the Exchange Act to be disclosed in solicitations of proxies or otherwise, including such Person's written consent to being named in the proxy statement (if applicable) and to serving as a director if elected.

(i) Policies. Other than the Company's policies and committee charters, as filed with the SEC or available on its website as of the date hereof and its insider trading policy in effect as of the date hereof, the Company has no policies binding on its directors and will not approve or adopt any such policy that is binding on the iSystems Board Representative (and will not assert a claim that the iSystems Board Representative is in violation of any duty to the Company arising from), iSystems or any other holders of Registrable Securities exercising any rights under this Agreement, the Purchase Agreement or any other agreement to which it is party with the Agreement or as a result of any communications with

holders of Registrable Securities or any direct or indirect members or limited partners thereof related to the Company to the extent the recipient of such information has agreed in writing to keep such information confidential and has agreed to comply with applicable securities laws with respect to such information. Nothing in this Section 10(i) shall restrict the Company from adopting any policy that is required under applicable Delaware law, securities laws or the rules of NASDAQ or any other stock exchange governing shares of the Company's Common Stock.

(j) Third-Party Beneficiary. The iSystems Board Representative is an express third-party beneficiary of this Agreement.

11. Definitions.

"Affiliate" means any Person that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the party specified (it being understood and agree that from and after the Closing, for purposes of this Agreement, none of the Company or any of its Subsidiaries shall be deemed to be an Affiliate of iSystems or any of its Affiliates).

"Board" means (i) in the case of a Person that is a limited liability company, the managers authorized to act therefor (or, if the limited liability company has no managers, the members), (ii) in the case of a Person that is a corporation, the board of directors of such Person or any committee authorized to act therefor, (iii) in the case of a Person that is a limited partnership, the board of directors of its corporate general partner (or, if the general partner is itself a limited partnership, the board of directors of such general partner's corporate general partner) and (iv) in the case of any other Person, the board of directors, management committee or similar governing body or any authorized committee thereof responsible for the management of the business and affairs of such Person; provided that, in each case, the "Board" shall be deemed to include any duly authorized committee thereof that is authorized to take the action in question.

"Business Day" has the meaning given to such term in the Purchase Agreement.

"Closing" has the meaning given to such term in the Purchase Agreement.

"Common Stock" means the Company's Common Stock, par value $0.01 per share.

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

"Free Writing Prospectus" means a free-writing prospectus, as defined in Rule 405 of the Securities Act.

"GAAP" means U.S. generally accepted accounting principles, consistently applied.

"iSystems Expiration Date" means the first date that the holders of Registrable Securities no longer hold more than the lesser of (x) 5% of the Company's outstanding Common Stock (as equitably adjusted for any stock splits, stock combinations, reorganizations, exchanges, merger, recapitalizations or similar transaction after the date hereof) and (y) 90% of the shares of Company Common Stock held by such holders as of the date hereof.

"iSystems Majority Holders" means, at any time, the holders of at least a majority of the Registrable Securities then outstanding.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"Registrable Securities" means (i) any shares of Common Stock originally issued to iSystems pursuant to the Purchase Agreement and (ii) any securities of the Company issued or issuable directly or indirectly with respect to the securities referred to in clause (i) foregoing by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when they have been distributed to the public pursuant to an offering registered under the Securities Act or sold to the public through a broker, dealer or market maker in compliance with Rule 144 under the Securities Act (or any similar rule then in force) or repurchased by the Company or any Subsidiary.

"Representative" means, with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants or attorneys.

"Restricted Securities" means (i) the Common Stock, and (ii) any securities issued with respect to the securities referred to in clause (i) above by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization and any warrants exercisable for Common Stock outstanding on the date hereof that are not freely tradable under applicable law and regulation. As to any particular Restricted Securities, such securities shall cease to be Restricted Securities when they have (a) been effectively registered under the Securities Act and disposed of in accordance with the registration statement covering them, or (b) been distributed to the public through a broker, dealer or market maker pursuant to Rule 144 (or any similar provision then in force) under the Securities Act or become eligible for sale pursuant to Rule 144(k) (or any similar provision then in force) under the Securities Act. Whenever any particular securities cease to be Restricted Securities, the holder thereof shall be entitled to receive from the Company, without expense, new securities of like tenor not bearing a Securities Act legend of the character set forth in this Agreement.

"Securities Act" means the Securities Act of 1933, as amended.

"Securities and Exchange Commission" includes any governmental body or agency succeeding to the functions thereof.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control any managing director or general partner of such limited liability company, partnership, association or other business entity.

12. Transfer of Restricted Securities.

(a) General Provisions. In addition to any other restrictions on transfer to which such shares may be subject, Restricted Securities are transferable only pursuant to (i) public offerings registered under the Securities Act, (ii) Rule 144 or Rule 144A of the Securities and Exchange Commission (or any similar rule or rules then in force) if such rule is available and (iii) subject to the conditions specified in Section 12(b) below, any other legally available means of transfer.

(b) Opinion Delivery. In connection with the transfer of any Restricted Securities (other than a transfer described in Section 12(a)(i) or (ii) above), upon the request of the Company, the holder thereof shall deliver written notice to the Company describing in reasonable detail the transfer or proposed transfer, together with an opinion of Kirkland & Ellis LLP or other counsel which (to the Company's reasonable satisfaction) is knowledgeable in securities law matters to the effect that such transfer of Restricted Securities may be effected without registration of such Restricted Securities under the Securities Act. In addition, if the holder of the Restricted Securities delivers to the Company an opinion of Kirkland & Ellis LLP or such other counsel that no subsequent transfer of such Restricted Securities shall require registration under the Securities Act, the Company shall promptly upon such contemplated transfer deliver new certificates for such Restricted Securities which do not bear the Securities Act legend set forth in Section 12(c).

(c) Legend. Each certificate or instrument representing Restricted Securities shall be imprinted with a legend in substantially the following form:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER AND CERTAIN OTHER AGREEMENTS SET FORTH IN AN INVESTOR RIGHTS AGREEMENT BETWEEN THE COMPANY AND CERTAIN OF ITS INVESTORS DATED AS OF [ ], 20[ ], AS AMENDED AND MODIFIED FROM TIME TO TIME. A COPY OF SUCH AGREEMENT MAY BE OBTAINED BY THE HOLDER HEREOF AT THE COMPANY'S PRINCIPAL PLACE OF BUSINESS WITHOUT CHARGE."

(d) Legend Removal. If any Restricted Securities become eligible for sale without restriction pursuant to Rule 144, the Company shall, upon the request of the holder of such Restricted Securities, remove the legend set forth in Section 12(c) from the certificates for such Restricted Securities.

13. Miscellaneous.

(a) Counterparts. This Agreement may be executed simultaneously in one or more counterparts (including by facsimile or electronic transmission), any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same Agreement.

(b) Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(c) Remedies. Any Person having rights under any provision of this Agreement shall be entitled to recover damages caused by reason of any breach of any provision of this Agreement and to

exercise all other rights granted by law (including in the case of injunctive relief, without a requirement of posting a bond).

(d) Amendments and Waivers. The provisions of this Agreement may be amended or waived only upon the prior written consent of the Company and iSystems Majority Holders.

(e) No Inconsistent Agreements or Actions. The Company represents and warrants to iSystems that it is not a party to, or otherwise subject to, any other agreement granting registration rights to any Person with respect to any securities of the Company other than this Agreement and the Amended and Restated Registration Rights Agreement dated as of March 10, 2012, and covenants and agrees that it will not hereafter enter into any agreement with respect to its securities which violates the rights granted to the holders of Registrable Securities in this Agreement. The Company will not take any action, or permit any change to occur, with respect to its securities which would materially and adversely affect the ability of any holder of Registrable Securities to include its Registrable Securities in a registration undertaken pursuant to this Agreement.

(f) Successors and Assigns. All covenants and agreements in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and permitted assigns of the parties hereto. In addition, whether or not any express assignment has been made, the provisions of this Agreement which are for the benefit of the purchasers or holders of any type of Registrable Securities are, except as otherwise described herein, also for the benefit of, and enforceable by, any subsequent holder of Registrable Securities. Nothing herein shall limit the right of iSystems or its equityholders to distribute the shares hereunder to its direct and indirect members, subject to such conditions as may be imposed by iSystems with respect thereto; provided that in order to obtain any benefits of this Agreement, any subsequent holder of Registrable Securities or any assignee of iSystems shall execute a counterpart to this Agreement agreeing to be bound the terms hereof. Notwithstanding the foregoing, in no event shall any Person other than iSystems or one or more Affiliates of Silver Oak Services Partners, LLC be entitled to exercise rights pursuant to Section 9 or Section 10 hereof.

(g) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

(h) Governing Law. The corporate law of the State of Delaware shall govern all issues and questions concerning the relative rights of the Company and its stockholders. All other issues and questions concerning the construction, validity, interpretation and enforcement of this Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. In furtherance of the foregoing, the internal law of the State of Delaware shall control the interpretation and construction of this Agreement (and all schedules and exhibits hereto), even though under that jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply. Whenever used herein, "including" means "including, without limitation."

(i) Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when delivered personally to the recipient, sent to the recipient by reputable overnight courier service (charges prepaid) or mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid. Such notices, demands and other communications shall be sent to a particular holder

of Registrable Securities at the address indicated on the books and records of the Company and to the Company at its principal executive office (to the attention of the Company's president) or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

(j) Entire Agreement. Except as otherwise expressly set forth herein, this Agreement embodies the complete agreement and understanding among the parties and supersedes and preempts any prior understandings, agreements, or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

(k) References to Equity Securities. Whenever there is a reference to any series, class or type of equity securities (*e.g.*, Common Stock), such reference shall include a reference to any equity securities issued to the holder thereof in respect of such securities in any merger, consolidation, recapitalization, restructuring, exchange, conversion, stock spilt, stock combination or other transaction.

* * * * *

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

COMPANY

ASURE SOFTWARE, INC.

/s/ Patrick Goepel
By: Patrick Goepel
Its: President and Chief Executive Officer

ISYSTEMS

iSYSTEMS HOLDINGS, LLC

/s/ Daniel Gill
By: Daniel Gill
Its: President

[Signature Page to Investor Rights Agreement]

Exhibit 10.3

AMENDED AND RESTATED CREDIT AGREEMENT

by and among

WELLS FARGO BANK, NATIONAL ASSOCIATION,

as Administrative Agent,

THE LENDERS THAT ARE PARTIES HERETO

as the Lenders,

and

ASURE SOFTWARE, INC.

as Borrower

Dated as of May 25, 2017

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EXHIBITS AND SCHEDULES

AMENDED AND RESTATED CREDIT AGREEMENT

THIS AMENDED AND RESTATED CREDIT AGREEMENT (this "Agreement"), is entered into as of May 25, 2017, by and among the lenders identified on the signature pages hereof (each of such lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender", as that term is hereinafter further defined), **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, as administrative agent for each member of the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns in such capacity, "Agent"), and **ASURE SOFTWARE, INC.**, a Delaware corporation ("Borrower").

WHEREAS, Agent and the Lenders, on the one hand, and Borrower, on the other hand, are parties to that certain Credit Agreement, dated as of March 20, 2014 (as amended, supplemented, or otherwise modified from time to time prior to the Closing Date, the "Existing Credit Agreement");

WHEREAS, Agent, Lenders, and Borrower are willing to amend and restate the Existing Credit Agreement in accordance with the terms and conditions hereof; it being understood that no repayment of the outstanding amounts payable under the Existing Credit Agreement as of the Closing Date is being effected hereby but is merely an amendment and restatement in accordance with the terms hereof.

The parties agree that the Existing Credit Agreement is hereby amended and restated as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1. Definitions. Capitalized terms used in this Agreement shall have the meanings specified therefor on Schedule 1.1.

1.2. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP; provided, that if Borrower notifies Agent that Borrower requests an amendment to any provision hereof to eliminate the effect of any Accounting Change occurring after the Closing Date or in the application thereof on the operation of such provision (or if Agent notifies Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such Accounting Change or in the application thereof, then Agent and Borrower agree that they will negotiate in good faith amendments to the provisions of this Agreement that are directly affected by such Accounting Change with the intent of having the respective positions of the Lenders and Borrower after such Accounting Change conform as nearly as possible to their respective positions as of the date of this Agreement and, until any such amendments have been agreed upon and agreed to by the Required Lenders, the provisions in this Agreement shall be calculated as if no such Accounting Change had occurred. When used herein, the term "financial statements" shall include the notes and schedules thereto. Whenever the term "Borrower" is used in respect of a financial covenant or a related definition, it shall be understood to mean Borrower and its Subsidiaries on a consolidated basis, unless the context clearly requires otherwise. Notwithstanding anything to the contrary contained herein, (a) all financial statements delivered

hereunder shall be prepared, and all financial covenants contained herein shall be calculated, without giving effect to any election under the Statement of Financial Accounting Standards No. 159 (or any similar accounting principle) permitting a Person to value its financial liabilities or Indebtedness at the fair value thereof, and (b) the term "unqualified opinion" as used herein to refer to opinions or reports provided by accountants shall mean an opinion or report that is (i) unqualified, and (ii) does not include any explanation, supplemental comment, or other comment concerning the ability of the applicable Person to continue as a going concern or concerning the scope of the audit

1.3. Code**.** Any terms used in this Agreement that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein; provided, that to the extent that the Code is used to define any term herein and such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern.

1.4. Construction**.** Unless the context of this Agreement or any other Loan Document clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement or any other Loan Document refer to this Agreement or such other Loan Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other Loan Document, as the case may be. Section, subsection, clause, schedule, and Exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement or in any other Loan Document to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties. Any reference herein or in any other Loan Document to the satisfaction, repayment, or payment in full of the Obligations shall mean (a) the payment or repayment in full in immediately available funds of (i) the principal amount of, and interest accrued and unpaid with respect to, all outstanding Loans, together with the payment of any premium applicable to the repayment of the Loans, (ii) all Lender Group Expenses that have accrued and are unpaid regardless of whether demand has been made therefor, (iii) all fees or charges that have accrued hereunder or under any other Loan Document (including the Letter of Credit Fee and the Unused Line Fee) and are unpaid, (b) in the case of contingent reimbursement obligations with respect to Letters of Credit, providing Letter of Credit Collateralization, (c) in the case of obligations with respect to Bank Products (other than Hedge Obligations), providing Bank Product Collateralization, (d) the receipt by Agent of cash collateral in order to secure any other contingent Obligations for which a claim or demand for payment has been made on or prior to such time or in respect of matters or circumstances known to Agent or a Lender at such time that are reasonably expected to result in any loss, cost, damage, or expense (including attorneys' fees and legal expenses), such cash collateral to be in such amount as Agent reasonably determines is appropriate to secure such contingent Obligations, (e) the payment or repayment in full in immediately available funds of all other outstanding Obligations (including the payment

of any termination amount then applicable (or which would or could become applicable as a result of the repayment of the other Obligations) under Hedge Agreements provided by Hedge Providers) other than (i) unasserted contingent indemnification Obligations, (ii) any Bank Product Obligations (other than Hedge Obligations) that, at such time, are allowed by the applicable Bank Product Provider to remain outstanding without being required to be repaid or cash collateralized, and (iii) any Hedge Obligations that, at such time, are allowed by the applicable Hedge Provider to remain outstanding without being required to be repaid, and (f) the termination of all of the Commitments of the Lenders. Any reference herein to any Person shall be construed to include such Person's successors and assigns. Any requirement of a writing contained herein or in any other Loan Document shall be satisfied by the transmission of a Record.

1.5. Time References**.** Unless the context of this Agreement or any other Loan Document clearly requires otherwise, all references to time of day refer to Pacific standard time or Pacific daylight saving time, as in effect in Los Angeles, California on such day. For purposes of the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to and including"; provided that, with respect to a computation of fees or interest payable to Agent or any Lender, such period shall in any event consist of at least one full day.

1.6. Schedules and Exhibits**.** All of the schedules and exhibits attached to this Agreement shall be deemed incorporated herein by reference.

2. LOANS AND TERMS OF PAYMENT.

2.1. Revolving Loans.

(a) Subject to the terms and conditions of this Agreement, and during the term of this Agreement, each Revolving Lender agrees (severally, not jointly or jointly and severally) to make revolving loans ("Revolving Loans") to Borrower in an amount at any one time outstanding not to exceed *the lesser of*:

(i) such Lender's Revolver Commitment, or

(ii) such Lender's Pro Rata Share of an amount equal to (1) the Maximum Revolver Amount *less* (2) the sum of (y) the Letter of Credit Usage at such time, *plus* (z) the principal amount of Swing Loans outstanding at such time.

(b) Amounts borrowed pursuant to this Section 2.1 may be repaid and, subject to the terms and conditions of this Agreement, reborrowed at any time during the term of this Agreement. The outstanding principal amount of the Revolving Loans, together with interest accrued and unpaid thereon, shall constitute Obligations and shall be due and payable on the Maturity Date or, if earlier, on the date on which they are declared due and payable pursuant to the terms of this Agreement.

(c) Anything to the contrary in this Section 2.1 notwithstanding, Agent shall have the right (but not the obligation) to establish Bank Product Reserves (in its Permitted Discretion) from time to time against the Maximum Revolver Amount.

2.2. Term Loan. On the Original Closing Date, subject to the terms and conditions of the Existing Credit Agreement (prior to the amendment and restatement thereof on the Closing Date), each Lender with a Term Loan Commitment (as defined in the Existing Credit Agreement) made (severally, not jointly or jointly and severally) term loans (the "Original Term Loans") to Borrower then party to the Existing Credit Agreement. The outstanding principal balance of the Original Term Loan as of the Closing Date but immediately prior to the transactions occurring on the Closing Date is $29,223,437.48. On the Closing Date, each Lender agrees to make an additional loan to Borrower in the amount of such Lender's Term Loan Commitment with respect to the Additional Term Loan Advances to increase the aggregate outstanding principal amount of the term loans extended to Borrowers to $70,000,000 (the Original Term Loan plus the Additional Term Loan Advance collectively known on and after the Closing Date as the "Term Loan"). The Term Loan Commitments of Lenders to make the Additional Term Loan Advances shall terminate concurrently with the making of the Additional Term Loan Advances on the Closing Date. The principal of the Term Loan shall be repaid on the following dates and in the following amounts:

Date	Installment Amount
September 30, 2017 and the last day of each fiscal quarter thereafter	$ 875,000

The outstanding unpaid principal balance and all accrued and unpaid interest on the Term Loan shall be due and payable on the earlier of (i) the Maturity Date, and (ii) the date of the acceleration of the Term Loan in accordance with the terms hereof. Any principal amount of the Term Loan that is repaid or prepaid may not be reborrowed. All principal of, interest on, and other amounts payable in respect of the Term Loan shall constitute Obligations hereunder.

2.3. Borrowing Procedures and Settlements.

(a) Procedure for Borrowing Revolving Loans. Each Borrowing shall be made by a written request by an Authorized Person delivered to Agent and received by Agent no later than 10:00 a.m. (i) on the Business Day that is the requested Funding Date in the case of a request for a Swing Loan, and (ii) on the Business Day that is 1 Business Day prior to the requested Funding Date in the case of all other requests, specifying (A) the amount of such Borrowing, and (B) the requested Funding Date (which shall be a Business Day); provided, that Agent may, in its sole discretion, elect to accept as timely requests that are received later than 10:00 a.m. on the applicable Business Day. At Agent's election, in lieu of delivering the above-described written request, any Authorized Person may give Agent telephonic notice of such request by the required time. In such circumstances, Borrower agrees that any such telephonic notice will be confirmed in writing within 24 hours of the giving of such telephonic notice, but the failure to provide such written confirmation shall not affect the validity of the request.

(b) Making of Swing Loans. In the case of a request for a Revolving Loan and so long as either (i) the aggregate amount of Swing Loans made since the last Settlement Date, *minus* all payments or other amounts applied to Swing Loans since the last Settlement Date, plus the amount of the requested Swing Loan does not exceed $500,000, or (ii) Swing Lender, in its sole discretion, agrees to make a Swing Loan notwithstanding the foregoing

limitation, Swing Lender shall make a Revolving Loan (any such Revolving Loan made by Swing Lender pursuant to this Section 2.3(b) being referred to as a "Swing Loan" and all such Revolving Loans being referred to as "Swing Loans") available to Borrower on the Funding Date applicable thereto by transferring immediately available funds in the amount of such requested Borrowing to the Designated Account. Each Swing Loan shall be deemed to be a Revolving Loan hereunder and shall be subject to all the terms and conditions (including Section 3) applicable to other Revolving Loans, except that all payments (including interest) on any Swing Loan shall be payable to Swing Lender solely for its own account. Subject to the provisions of Section 2.3(d)(ii), Swing Lender shall not make and shall not be obligated to make any Swing Loan if Swing Lender has actual knowledge that (i) one or more of the applicable conditions precedent set forth in Section 3 will not be satisfied on the requested Funding Date for the applicable Borrowing, or (ii) the requested Borrowing would exceed the Availability on such Funding Date. Swing Lender shall not otherwise be required to determine whether the applicable conditions precedent set forth in Section 3 have been satisfied on the Funding Date applicable thereto prior to making any Swing Loan. The Swing Loans shall be secured by Agent's Liens, constitute Revolving Loans and Obligations, and bear interest at the rate applicable from time to time to Revolving Loans that are Base Rate Loans.

(c) Making of Revolving Loans.

(i) In the event that Swing Lender is not obligated to make a Swing Loan, then after receipt of a request for a Borrowing pursuant to Section 2.3(a), Agent shall notify the Lenders by telecopy, telephone, email, or other electronic form of transmission, of the requested Borrowing; such notification to be sent on the Business Day that is 1 Business Day prior to the requested Funding Date. If Agent has notified the Lenders of a requested Borrowing on the Business Day that is 1 Business Day prior to the Funding Date, then each Lender having Revolver Commitments shall make the amount of such Lender's Pro Rata Share of the requested Borrowing available to Agent in immediately available funds, to Agent's Account, not later than 10:00 a.m. on the Business Day that is the requested Funding Date. After Agent's receipt of the proceeds of such Revolving Loans from the Lenders, Agent shall make the proceeds thereof available to Borrower on the applicable Funding Date by transferring immediately available funds equal to such proceeds received by Agent to the Designated Account; provided, that, subject to the provisions of Section 2.3(d)(ii), no Lender shall have an obligation to make any Revolving Loan, if (1) one or more of the applicable conditions precedent set forth in Section 3 will not be satisfied on the requested Funding Date for the applicable Borrowing unless such condition has been waived in accordance with this Agreement, or (2) the requested Borrowing would exceed the Availability on such Funding Date.

(ii) Unless Agent receives notice from a Lender prior to 9:30 a.m. on the Business Day that is the requested Funding Date relative to a requested Borrowing as to which Agent has notified the Lenders of a requested Borrowing that such Lender will not make available as and when required hereunder to Agent for the account of Borrower the amount of that Lender's Pro Rata Share of the Borrowing, Agent may assume that each Lender has made or will make such amount available to Agent in immediately available funds on the Funding Date and Agent may (but shall not be so required), in reliance upon such assumption, make available to Borrower a corresponding amount. If,

on the requested Funding Date, any Lender having Revolver Commitments shall not have remitted the full amount that it is required to make available to Agent in immediately available funds and if Agent has made available to Borrower such amount on the requested Funding Date, then such Lender shall make the amount of such Lender's Pro Rata Share of the requested Borrowing available to Agent in immediately available funds, to Agent's Account, no later than 10:00 a.m. on the Business Day that is the first Business Day after the requested Funding Date (in which case, the interest accrued on such Lender's portion of such Borrowing for the Funding Date shall be for Agent's separate account). If any Lender shall not remit the full amount that it is required to make available to Agent in immediately available funds as and when required hereby and if Agent has made available to Borrower such amount, then that Lender shall be obligated to immediately remit such amount to Agent, together with interest at the Defaulting Lender Rate for each day until the date on which such amount is so remitted. A notice submitted by Agent to any Lender with respect to amounts owing under this Section 2.3(c)(ii) shall be conclusive, absent manifest error. If the amount that a Lender is required to remit is made available to Agent, then such payment to Agent shall constitute such Lender's Revolving Loan for all purposes of this Agreement. If such amount is not made available to Agent on the Business Day following the Funding Date, Agent will notify Borrower of such failure to fund and, upon demand by Agent, Borrower shall pay such amount to Agent for Agent's account, together with interest thereon for each day elapsed since the date of such Borrowing, at a rate *per annum* equal to the interest rate applicable at the time to the Revolving Loans composing such Borrowing.

(d) Protective Advances.

(i) Any contrary provision of this Agreement or any other Loan Document notwithstanding, at any time (A) after the occurrence and during the continuance of a Default or an Event of Default, (B) that any of the other applicable conditions precedent set forth in Section 3 are not satisfied, or (C) at any time with respect to clauses (2) and (3) below, Agent hereby is authorized by Borrower and the Lenders, from time to time, in Agent's sole discretion, to make Revolving Loans to, or for the benefit of, Borrower, on behalf of the Revolving Lenders, that Agent, in its Permitted Discretion, deems necessary or desirable to preserve or protect the Collateral, or any portion thereof, (2) to make payments with respect to any Tax Lien subject to Borrower's right to make such Lien the subject of a Permitted Protest (and Borrower hereby authorizes Agent to make such payment on Borrower's behalf), or (3) to enhance the likelihood of repayment of the Obligations (other than the Bank Product Obligations) (the Revolving Loans described in this Section 2.3(d)(i) shall be referred to as "Protective Advances").

(ii) Each Protective Advance shall be deemed to be a Revolving Loan hereunder, except that no Protective Advance shall be eligible to be a LIBOR Rate Loan and, prior to Settlement therefor, all payments on the Protective Advances shall be payable to Agent solely for its own account. The Protective Advances shall be repayable on demand, secured by Agent's Liens, constitute Obligations hereunder, and bear interest at the rate applicable from time to time to Revolving Loans that are Base Rate Loans. The provisions of this Section 2.3(d) are for the exclusive benefit of Agent, Swing

Lender, and the Lenders and are not intended to benefit Borrower (or any other Loan Party) in any way.

(e) Settlement. It is agreed that each Lender's funded portion of the Revolving Loans is intended by the Lenders to equal, at all times, such Lender's Pro Rata Share of the outstanding Revolving Loans. Such agreement notwithstanding, Agent, Swing Lender, and the other Lenders agree (which agreement shall not be for the benefit of Borrower) that in order to facilitate the administration of this Agreement and the other Loan Documents, settlement among the Lenders as to the Revolving Loans, the Swing Loans, and the Protective Advances shall take place on a periodic basis in accordance with the following provisions:

(i) Agent shall request settlement ("Settlement") with the Lenders on a weekly basis, or on a more frequent basis if so determined by Agent in its sole discretion (1) on behalf of Swing Lender, with respect to the outstanding Swing Loans, (2) for itself, with respect to the outstanding Protective Advances, and (3) with respect to Borrower's or its Subsidiaries' payments or other amounts received, as to each by notifying the Lenders by telecopy, telephone, or other similar form of transmission, of such requested Settlement, no later than 2:00 p.m. on the Business Day immediately prior to the date of such requested Settlement (the date of such requested Settlement being the "Settlement Date"). Such notice of a Settlement Date shall include a summary statement of the amount of outstanding Revolving Loans, Swing Loans, and Protective Advances for the period since the prior Settlement Date. Subject to the terms and conditions contained herein (including Section 2.3(g)): (y) if the amount of the Revolving Loans (including Swing Loans, and Protective Advances) made by a Lender that is not a Defaulting Lender exceeds such Lender's Pro Rata Share of the Revolving Loans (including Swing Loans, and Protective Advances) as of a Settlement Date, then Agent shall, by no later than 12:00 p.m. on the Settlement Date, transfer in immediately available funds to a Deposit Account of such Lender (as such Lender may designate), an amount such that each such Lender shall, upon receipt of such amount, have as of the Settlement Date, its Pro Rata Share of the Revolving Loans (including Swing Loans, and Protective Advances), and (z) if the amount of the Revolving Loans (including Swing Loans, and Protective Advances) made by a Lender is less than such Lender's Pro Rata Share of the Revolving Loans (including Swing Loans, and Protective Advances) as of a Settlement Date, such Lender shall no later than 12:00 p.m. on the Settlement Date transfer in immediately available funds to Agent's Account, an amount such that each such Lender shall, upon transfer of such amount, have as of the Settlement Date, its Pro Rata Share of the Revolving Loans (including Swing Loans and Protective Advances). Such amounts made available to Agent under clause (z) of the immediately preceding sentence shall be applied against the amounts of the applicable Swing Loans or Protective Advances and, together with the portion of such Swing Loans or Protective Advances representing Swing Lender's Pro Rata Share thereof, shall constitute Revolving Loans of such Lenders. If any such amount is not made available to Agent by any Lender on the Settlement Date applicable thereto to the extent required by the terms hereof, Agent shall be entitled to recover for its account such amount on demand from such Lender together with interest thereon at the Defaulting Lender Rate.

(ii) In determining whether a Lender's balance of the Revolving Loans, Swing Loans, and Protective Advances is less than, equal to, or greater than such Lender's Pro Rata Share of the Revolving Loans, Swing Loans, and Protective Advances as of a Settlement Date, Agent shall, as part of the relevant Settlement, apply to such balance the portion of payments actually received in good funds by Agent with respect to principal, interest, fees payable by Borrower and allocable to the Lenders hereunder, and proceeds of Collateral.

(iii) Between Settlement Dates, Agent, to the extent Protective Advances or Swing Loans are outstanding, may pay over to Agent or Swing Lender, as applicable, any payments or other amounts received by Agent, that in accordance with the terms of this Agreement would be applied to the reduction of the Revolving Loans, for application to the Protective Advances or Swing Loans. Between Settlement Dates, Agent, to the extent no Protective Advances or Swing Loans are outstanding, may pay over to Swing Lender any payments or other amounts received by Agent, that in accordance with the terms of this Agreement would be applied to the reduction of the Revolving Loans, for application to Swing Lender's Pro Rata Share of the Revolving Loans. If, as of any Settlement Date, payments or other amounts of Borrower or its Subsidiaries received since the then immediately preceding Settlement Date have been applied to Swing Lender's Pro Rata Share of the Revolving Loans other than to Swing Loans, as provided for in the previous sentence, Swing Lender shall pay to Agent for the accounts of the Lenders, and Agent shall pay to the Lenders (other than a Defaulting Lender if Agent has implemented the provisions of Section 2.3(g)), to be applied to the outstanding Revolving Loans of such Lenders, an amount such that each such Lender shall, upon receipt of such amount, have, as of such Settlement Date, its Pro Rata Share of the Revolving Loans. During the period between Settlement Dates subject to the Agreement Among Lenders, Swing Lender with respect to Swing Loans, Agent with respect to Protective Advances, and each Lender with respect to the Revolving Loans other than Swing Loans and Protective Advances, shall be entitled to interest at the applicable rate or rates payable under this Agreement on the daily amount of funds employed by Swing Lender, Agent, or the Lenders, as applicable.

(iv) Anything in this Section 2.3(e) to the contrary notwithstanding, in the event that a Lender is a Defaulting Lender, Agent shall be entitled to refrain from remitting settlement amounts to the Defaulting Lender and, instead, shall be entitled to elect to implement the provisions set forth in Section 2.3(g).

(f) Notation. Agent, as a non-fiduciary agent for Borrower, shall maintain a register showing the principal amount of the Revolving Loans (and portion of the Term Loan, as applicable), owing to each Lender, including the Swing Loans owing to Swing Lender, and Protective Advances owing to Agent, and the interests therein of each Lender, from time to time and such register shall, absent manifest error, conclusively be presumed to be correct and accurate.

(g) Defaulting Lenders.

(i) Notwithstanding the provisions of Section 2.4(b)(ii), Agent shall not be obligated to transfer to a Defaulting Lender any payments made by Borrower to Agent for the Defaulting Lender's benefit or any proceeds of Collateral that would otherwise be remitted hereunder to the Defaulting Lender, and, in the absence of such transfer to the Defaulting Lender, Agent shall transfer any such payments (A) first, to Swing Lender to the extent of any Swing Loans that were made by Swing Lender and that were required to be, but were not, paid by the Defaulting Lender, (B) second, to Issuing Bank, to the extent of the portion of a Letter of Credit Disbursement that was required to be, but was not, paid by the Defaulting Lender, (C) third, to each Non-Defaulting Lender ratably in accordance with their Commitments (but, in each case, only to the extent that such Defaulting Lender's portion of a Revolving Loan (or other funding obligation) was funded by such other Non-Defaulting Lender), (D) to a suspense account maintained by Agent, the proceeds of which shall be retained by Agent and may be made available to be re-advanced to or for the benefit of Borrower (upon the request of Borrower and subject to the conditions set forth in Section 3.2) as if such Defaulting Lender had made its portion of Revolving Loans (or other funding obligations) hereunder, and (E) from and after the date on which all other Obligations have been paid in full, to such Defaulting Lender in accordance with tier (L) of Section 2.4(b)(ii). Subject to the foregoing, Agent may hold and, in its discretion, re-lend to Borrower for the account of such Defaulting Lender the amount of all such payments received and retained by Agent for the account of such Defaulting Lender. Solely for the purposes of voting or consenting to matters with respect to the Loan Documents (including the calculation of Pro Rata Share in connection therewith) and for the purpose of calculating the fee payable under Section 2.10(b), such Defaulting Lender shall be deemed not to be a "Lender" and such Lender's Commitment shall be deemed to be zero; provided, that the foregoing shall not apply to any of the matters governed by Section 14.1(a)(i) through (iii). The provisions of this Section 2.3(g) shall remain effective with respect to such Defaulting Lender until the earlier of (y) the date on which all of the Non-Defaulting Lenders, Agent, Issuing Bank, and Borrower shall have waived, in writing, the application of this Section 2.3(g) to such Defaulting Lender, or (z) the date on which such Defaulting Lender makes payment of all amounts that it was obligated to fund hereunder, pays to Agent all amounts owing by Defaulting Lender in respect of the amounts that it was obligated to fund hereunder, and, if requested by Agent, provides adequate assurance of its ability to perform its future obligations hereunder (on which earlier date, so long as no Event of Default has occurred and is continuing, any remaining cash collateral held by Agent pursuant to Section 2.3(g)(ii) shall be released to Borrower). The operation of this Section 2.3(g) shall not be construed to increase or otherwise affect the Commitment of any Lender, to relieve or excuse the performance by such Defaulting Lender or any other Lender of its duties and obligations hereunder, or to relieve or excuse the performance by Borrower of its duties and obligations hereunder to Agent, Issuing Bank, or to the Lenders other than such Defaulting Lender. Any failure by a Defaulting Lender to fund amounts that it was obligated to fund hereunder shall constitute a material breach by such Defaulting Lender of this Agreement and shall entitle Borrower, at its option, upon written notice to Agent, to arrange for a substitute Lender to assume the Commitment of such Defaulting Lender, such substitute Lender to

be reasonably acceptable to Agent. In connection with the arrangement of such a substitute Lender, the Defaulting Lender shall have no right to refuse to be replaced hereunder, and agrees to execute and deliver a completed form of Assignment and Acceptance in favor of the substitute Lender (and agrees that it shall be deemed to have executed and delivered such document if it fails to do so) subject only to being paid its share of the outstanding Obligations (other than Bank Product Obligations, but including (1) all interest, fees, and other amounts that may be due and payable in respect thereof, and (2) an assumption of its Pro Rata Share of its participation in the Letters of Credit); provided, that any such assumption of the Commitment of such Defaulting Lender shall not be deemed to constitute a waiver of any of the Lender Groups' or Borrower's rights or remedies against any such Defaulting Lender arising out of or in relation to such failure to fund. In the event of a direct conflict between the priority provisions of this Section 2.3(g) and any other provision contained in this Agreement or any other Loan Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of this Section 2.3(g) shall control and govern.

(ii) If any Swing Loan or Letter of Credit is outstanding at the time that a Lender becomes a Defaulting Lender then:

(A) such Defaulting Lender's Swing Loan Exposure and Letter of Credit Exposure shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Pro Rata Shares but only to the extent (x) the sum of all Non-Defaulting Lenders' Revolving Loan Exposures plus such Defaulting Lender's Swing Loan Exposure and Letter of Credit Exposure does not exceed the total of all Non-Defaulting Lenders' Revolver Commitments and (y) the conditions set forth in Section 3.2 are satisfied at such time;

(B) if the reallocation described in clause (A) above cannot, or can only partially, be effected, Borrower shall within one Business Day following notice by the Agent (x) first, prepay such Defaulting Lender's Swing Loan Exposure (after giving effect to any partial reallocation pursuant to clause (A) above) and (y) second, cash collateralize such Defaulting Lender's Letter of Credit Exposure (after giving effect to any partial reallocation pursuant to clause (A) above), pursuant to a cash collateral agreement to be entered into in form and substance reasonably satisfactory to the Agent, for so long as such Letter of Credit Exposure is outstanding; provided, that Borrower shall not be obligated to cash collateralize any Defaulting Lender's Letter of Credit Exposure if such Defaulting Lender is also the Issuing Bank;

(C) if Borrower cash collateralizes any portion of such Defaulting Lender's Letter of Credit Exposure pursuant to this Section 2.3(g)(ii), Borrower shall not be required to pay any Letter of Credit Fees to Agent for the account of such Defaulting Lender pursuant to Section 2.6(b) with respect to such cash collateralized portion of such Defaulting Lender's Letter of Credit Exposure during the period such Letter of Credit Exposure is cash collateralized;

(D) to the extent the Letter of Credit Exposure of the Non-Defaulting Lenders is reallocated pursuant to this Section 2.3(g)(ii), then the Letter of Credit Fees payable to the Non-Defaulting Lenders pursuant to Section 2.6(b) shall be adjusted in accordance with such Non-Defaulting Lenders' Letter of Credit Exposure;

(E) to the extent any Defaulting Lender's Letter of Credit Exposure is neither cash collateralized nor reallocated pursuant to this Section 2.3(g)(ii), then, without prejudice to any rights or remedies of the Issuing Bank or any Lender hereunder, all Letter of Credit Fees that would have otherwise been payable to such Defaulting Lender under Section 2.6(b) with respect to such portion of such Letter of Credit Exposure shall instead be payable to the Issuing Bank until such portion of such Defaulting Lender's Letter of Credit Exposure is cash collateralized or reallocated;

(F) so long as any Lender is a Defaulting Lender, the Swing Lender shall not be required to make any Swing Loan and the Issuing Bank shall not be required to issue, amend, or increase any Letter of Credit, in each case, to the extent (x) the Defaulting Lender's Pro Rata Share of such Swing Loans or Letter of Credit cannot be reallocated pursuant to this Section 2.3(g)(ii) or (y) the Swing Lender or Issuing Bank, as applicable, has not otherwise entered into arrangements reasonably satisfactory to the Swing Lender or Issuing Bank, as applicable, and Borrower to eliminate the Swing Lender's or Issuing Bank's risk with respect to the Defaulting Lender's participation in Swing Loans or Letters of Credit; and

(G) Agent may release any cash collateral provided by Borrower pursuant to this Section 2.3(g)(ii) to the Issuing Bank and the Issuing Bank may apply any such cash collateral to the payment of such Defaulting Lender's Pro Rata Share of any Letter of Credit Disbursement that is not reimbursed by Borrower pursuant to Section 2.11(d).

(h) Independent Obligations. All Revolving Loans (other than Swing Loans and Protective Advances) shall be made by the Lenders contemporaneously and in accordance with their Pro Rata Shares. It is understood that (i) no Lender shall be responsible for any failure by any other Lender to perform its obligation to make any Revolving Loan (or other extension of credit) hereunder, nor shall any Commitment of any Lender be increased or decreased as a result of any failure by any other Lender to perform its obligations hereunder, and (ii) no failure by any Lender to perform its obligations hereunder shall excuse any other Lender from its obligations hereunder.

2.4. Payments; Reductions of Commitments; Prepayments.

(a) Payments by Borrower.

(i) Except as otherwise expressly provided herein, all payments by Borrower shall be made to Agent's Account for the account of the Lender Group and

shall be made in immediately available funds, no later than 1:30 p.m. on the date specified herein. Any payment received by Agent later than 1:30 p.m. shall be deemed to have been received (unless Agent, in its sole discretion, elects to credit it on the date received) on the following Business Day and any applicable interest or fee shall continue to accrue until such following Business Day.

(ii) Unless Agent receives notice from Borrower prior to the date on which any payment is due to the Lenders that Borrower will not make such payment in full as and when required, Agent may assume that Borrower has made (or will make) such payment in full to Agent on such date in immediately available funds and Agent may (but shall not be so required), in reliance upon such assumption, distribute to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent Borrower does not make such payment in full to Agent on the date when due, each Lender severally shall repay to Agent on demand such amount distributed to such Lender, together with interest thereon at the Defaulting Lender Rate for each day from the date such amount is distributed to such Lender until the date repaid.

(b) Apportionment and Application.

(i) Subject to the Agreement Among Lenders, so long as no Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders, all principal and interest payments received by Agent shall be apportioned ratably among the Lenders (according to the unpaid principal balance of the Obligations to which such payments relate held by each Lender) and all payments of fees and expenses received by Agent (other than fees or expenses that are for Agent's separate account or for the separate account of Issuing Bank) shall be apportioned ratably among the Lenders having a Pro Rata Share of the type of Commitment or Obligation to which a particular fee or expense relates. Subject to Section 2.4(b)(iv), Section 2.4(d)(ii), Section 2.4(e) and Section 2.4(f) all payments to be made hereunder by Borrower shall be remitted to Agent and all such payments, and all proceeds of Collateral received by Agent, shall be applied, so long as no Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders, to reduce the balance of the Revolving Loans outstanding and, thereafter, to Borrower (to be wired to the Designated Account) or such other Person entitled thereto under applicable law.

(ii) At any time that an Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders, all payments remitted to Agent and all proceeds of Collateral received by Agent shall be applied as follows:

(A) first, to pay any Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to Agent under the Loan Documents, until paid in full,

(B) second, to pay any fees or premiums then due to Agent under the Loan Documents until paid in full,

(C) third, to pay interest due in respect of all Protective Advances until paid in full,

(D) fourth, to pay the principal of all Protective Advances until paid in full,

(E) fifth, ratably, to pay any Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to any of the Lenders under the Loan Documents, until paid in full,

(F) sixth, ratably, to pay any fees or premiums then due to any of the Lenders under the Loan Documents until paid in full,

(G) seventh, to pay interest accrued in respect of the Swing Loans until paid in full,

(H) eighth, to pay the principal of all Swing Loans until paid in full,

(I) ninth, ratably, to pay interest accrued in respect of the Revolving Loans (other than Protective Advances and Swing Loans) and the Term Loan until paid in full,

(J) tenth, ratably (i) to pay the principal of all Revolving Loans until paid in full, (ii) to Agent, to be held by Agent, for the benefit of Issuing Bank (and for the ratable benefit of each of the Lenders that have an obligation to pay to Agent, for the account of Issuing Bank, a share of each Letter of Credit Disbursement), as cash collateral in an amount up to 105% of the Letter of Credit Usage (with a corresponding permanent reduction in the Maximum Revolver Amount) and to the extent permitted by applicable law, such cash collateral shall be applied to the reimbursement of any Letter of Credit Disbursement as and when such disbursement occurs and, if a Letter of Credit expires undrawn, the cash collateral held by Agent in respect of such Letter of Credit shall, to the extent permitted by applicable law, be reapplied pursuant to this Section 2.4(b)(ii), beginning with tier (A) hereof), (iii) ratably, to the Bank Product Providers based upon amounts then certified by the applicable Bank Product Provider to Agent (in form and substance satisfactory to Agent) to be due and payable to such Bank Product Providers on account of Bank Product Obligations, and (iv) to pay the outstanding principal balance of the Term Loan (in the inverse order of the maturity of the installments due thereunder) until the Term Loan is paid in full,

(K) eleventh, to pay any other Obligations other than Obligations owed to Defaulting Lenders,

(L) twelfth, ratably to pay any Obligations owed to Defaulting Lenders; and

(M) thirteenth, to Borrower (to be wired to the Designated Account) or such other Person entitled thereto under applicable law.

(iii) Agent promptly shall distribute to each Lender, pursuant to the applicable wire instructions received from each Lender in writing, such funds as it may be entitled to receive, subject to a Settlement delay as provided in Section 2.3(e).

(iv) In each instance, so long as no Application Event has occurred and is continuing, Section 2.4(b)(i) shall not apply to any payment made by Borrower to Agent and specified by Borrower to be for the payment of specific Obligations then due and payable (or prepayable) under any provision of this Agreement or any other Loan Document.

(v) For purposes of Section 2.4(b)(ii), "paid in full" of a type of Obligation means payment in cash or immediately available funds of all amounts owing on account of such type of Obligation, including interest accrued after the commencement of any Insolvency Proceeding, default interest, interest on interest, and expense reimbursements, irrespective of whether any of the foregoing would be or is allowed or disallowed in whole or in part in any Insolvency Proceeding.

(vi) In the event of a direct conflict between the priority provisions of this Section 2.4 and any other provision contained in this Agreement or any other Loan Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, if the conflict relates to the provisions of Section 2.3(g) and this Section 2.4, then the provisions of Section 2.3(g) shall control and govern, and if otherwise, then the terms and provisions of this Section 2.4 shall control and govern.

(c) Reduction of Commitments.

(i) Revolver Commitments. The Revolver Commitments shall terminate on the Maturity Date. Borrower may reduce the Revolver Commitments to an amount (which may be zero) not less than the sum of (A) the Revolver Usage as of such date, plus (B) the principal amount of all Revolving Loans not yet made as to which a request has been given by Borrower under Section 2.3(a), plus (C) the amount of all Letters of Credit not yet issued as to which a request has been given by Borrower pursuant to Section 2.11(a). Each such reduction shall be in an amount which is not less than $500,000 (unless the Revolver Commitments are being reduced to zero and the amount of the Revolver Commitments in effect immediately prior to such reduction are less than $500,000), shall be made by providing not less than 10 Business Days prior written notice to Agent, and shall be irrevocable. Once reduced, the Revolver Commitments may not be increased. Each such reduction of the Revolver Commitments shall reduce the Revolver Commitments of each Lender proportionately in accordance with its ratable share thereof.

(ii) Term Loan Commitments. The Term Loan Commitments shall terminate upon the making of the Term Loans on the Closing Date.

(d) Optional Prepayments.

(i) Revolving Loans. Borrower may prepay the principal of any Revolving Loan at any time in whole or in part, without premium or penalty (except in connection with Section 2.4(c)(i)).

(ii) Term Loan. Borrower may, upon at least 10 Business Days prior written notice to Agent, prepay the principal of the Term Loan, in whole or in part. Each prepayment made pursuant to this Section 2.4(d)(ii) shall be accompanied by the payment of accrued interest to the date of such payment on the amount prepaid and any amounts due under the Fee Letter. Each such prepayment shall be applied against the remaining installments of principal due on the Term Loan on a pro rata basis (for the avoidance of doubt, any amount that is due and payable on the Maturity Date shall constitute an installment).

(e) Mandatory Prepayments.

(i) Overadvance. If, at any time, (A) the Revolver Usage on such date exceeds (B) the Maximum Revolver Amount, then Borrower shall immediately prepay the Obligations in accordance with Section 2.4(f)(i) in an amount equal to the amount of such excess.

(ii) Dispositions. Within 1 Business Day of the date of receipt by Borrower or any of its Subsidiaries of the Net Cash Proceeds of any voluntary or involuntary sale or disposition by Borrower or any of its Subsidiaries of assets (including casualty losses or condemnations but excluding sales or dispositions which qualify as Permitted Dispositions under clauses (a), (b), (c), (d), (e), (j), (k), (l), (m), or (n) of the definition of Permitted Dispositions), Borrower shall prepay the outstanding principal amount of the Obligations in accordance with Section 2.4(f)(ii) in an amount equal to 100% of such Net Cash Proceeds (including condemnation awards and payments in lieu thereof) received by such Person in connection with such sales or dispositions; provided that, so long as (A) no Default or Event of Default shall have occurred and is continuing or would result therefrom, (B) Borrower shall have given Agent prior written notice of Borrower's intention to apply such monies to the costs of replacement of the properties or assets that are the subject of such sale or disposition or the cost of purchase or construction of other assets useful in the business of Borrower or its Subsidiaries, (C) the monies are held in a Deposit Account in which Agent has a perfected first-priority security interest, and (D) Borrower or its Subsidiaries, as applicable, complete such replacement, purchase, or construction within 180 days after the initial receipt of such monies, then the Loan Party whose assets were the subject of such disposition shall have the option to apply such monies to the costs of replacement of the assets that are the subject of such sale or disposition unless and to the extent that such applicable period shall have expired without such replacement, purchase, or construction being made or completed, in which case, any amounts remaining in the Deposit Account referred to in

clause (C) above shall be paid to Agent and applied in accordance with Section 2.4(f)(ii); provided, that Borrower and its Subsidiaries shall not have the right to use such Net Cash Proceeds to make such replacements, purchases, or construction in excess of $250,000 in any given fiscal year. Nothing contained in this Section 2.4(e)(ii) shall permit Borrower or any of its Subsidiaries to sell or otherwise dispose of any assets other than in accordance with Section 6.4.

(iii) Extraordinary Receipts. Within 1 Business Day of the date of receipt by Borrower or any of its Subsidiaries of any Extraordinary Receipts, Borrower shall prepay the outstanding principal amount of the Obligations in accordance with Section 2.4(f)(ii) in an amount equal to 100% of such Extraordinary Receipts, net of any reasonable expenses incurred in collecting such Extraordinary Receipts.

(iv) Indebtedness. Within 1 Business Day of the date of incurrence by Borrower or any of its Subsidiaries of any Indebtedness (other than Permitted Indebtedness), Borrower shall prepay the outstanding principal amount of the Obligations in accordance with Section 2.4(f)(ii) in an amount equal to 100% of the Net Cash Proceeds received by such Person in connection with such incurrence. The provisions of this Section 2.4(e)(iv) shall not be deemed to be implied consent to any such incurrence otherwise prohibited by the terms of this Agreement.

(v) Equity. Within 1 Business Day of the date of the issuance by Borrower or any of its Subsidiaries of any Equity Interests (other than (A) in the event that Borrower or any of its Subsidiaries forms any Subsidiary in accordance with the terms hereof, the issuance by such Subsidiary of Equity Interests to Borrower or such Subsidiary, as applicable, (B) the issuance of Equity Interests by Borrower to any Person that is an equity holder of Borrower prior to such issuance (a "Subject Holder") so long as such Subject Holder did not acquire any Equity Interests of Borrower so as to become a Subject Holder concurrently with, or in contemplation of, the issuance of such Equity Interests to such Subject Holder, (C) the issuance of Equity Interests of Borrower to directors, officers and employees of Borrower and its Subsidiaries pursuant to employee stock option plans (or other employee incentive plans or other compensation arrangements) approved by the Board of Directors, (D) the issuance of Equity Interests of Borrower in order to finance the purchase consideration (or a portion thereof) in connection with a Permitted Acquisition, (E) the issuance of Equity Interests pursuant to the Specified Equity Issuance, and (F) the issuance of Equity Interests by a Subsidiary of Borrower to its parent or member in connection with the contribution by such parent or member to such Subsidiary of the proceeds of an issuance described in clauses (A) — (E) above), Borrower shall prepay the outstanding principal amount of the Obligations in accordance with Section 2.4(f)(ii) in an amount equal to 50% of the Net Cash Proceeds received by such Person in connection with such issuance. The provisions of this Section 2.4(e)(v) shall not be deemed to be implied consent to any such issuance otherwise prohibited by the terms of this Agreement.

(vi) Excess Cash Flow. Within 10 days of delivery to Agent of audited annual financial statements pursuant to Section 5.1, or, if such financial statements are not delivered to Agent on the date such statements are required to be delivered pursuant

to Section 5.1, within 10 days after the date such statements were required to be delivered to Agent pursuant to Section 5.1, Borrower shall prepay the outstanding principal amount of the Obligations in accordance with Section 2.4(f)(ii) in an amount equal to 50% of the Excess Cash Flow of Borrower and its Subsidiaries for such fiscal year; provided, that any Excess Cash Flow payment made pursuant to this Section 2.4(e)(vi) shall exclude the portion of Excess Cash Flow that is attributable to the target of a Permitted Acquisition and that accrued prior to the closing date of such Permitted Acquisition; provided, that in the case of the fiscal year ended December 31, 2017, Borrower shall only be obligated to prepay the outstanding principal amount of the Obligations in an amount equal to the applicable percentage of the Excess Cash Flow of the Borrower and its Subsidiaries for the period commencing with the Closing Date and ending on December 31, 2017.

(f) Application of Payments.

(i) Each prepayment pursuant to Section 2.4(e)(i) shall, (A) so long as no Application Event shall have occurred and be continuing, be applied, *first*, to the outstanding principal amount of the Revolving Loans until paid in full, *second*, to cash collateralize the Letters of Credit in an amount equal to 105% of the then outstanding Letter of Credit Usage, and *third*, to the outstanding principal amount of the Term Loan until paid in full, and (B) if an Application Event shall have occurred and be continuing, be applied in the manner set forth in Section 2.4(b)(ii). Each such prepayment of the Term Loan shall be applied against the remaining installments of principal of the Term Loan in the inverse order of maturity (for the avoidance of doubt, any amount that is due and payable on the Maturity Date shall constitute an installment).

(ii) Each prepayment pursuant to Section 2.4(e)(ii), 2.4(e)(iii), 2.4(e)(iv), 2.4(e)(v) or 2.4(e)(vi) shall (A) so long as no Application Event shall have occurred and be continuing, be applied, *first*, to the outstanding principal amount of the Term Loan until paid in full, *second*, to the outstanding principal amount of the Revolving Loans (with a corresponding permanent reduction in the Maximum Revolver Amount), until paid in full, and *third*, to cash collateralize the Letters of Credit in an amount equal to 105% of the then outstanding Letter of Credit Usage (with a corresponding permanent reduction in the Maximum Revolver Amount), and (B) if an Application Event shall have occurred and be continuing, be applied in the manner set forth in Section 2.4(b)(ii). Each such prepayment of the Term Loan shall be applied against the remaining installments of principal of the Term Loan in the inverse order of maturity (for the avoidance of doubt, any amount that is due and payable on the Maturity Date shall constitute an installment).

2.5. Promise to Pay; Promissory Notes.

(a) Borrower agrees to pay the Lender Group Expenses on the earlier of (i) the first day of the month following the date on which the applicable Lender Group Expenses were first incurred or (ii) the date on which demand therefor is made by Agent (it being acknowledged and agreed that any charging of such costs, expenses or Lender Group Expenses to the Loan Account pursuant to the provisions of Section 2.6(d) shall be deemed to constitute a demand for payment thereof for the purposes of this subclause (ii)). Borrower promises to pay all of the Obligations (including principal, interest, premiums, if any, fees, costs, and expenses

(including Lender Group Expenses)) in full on the Maturity Date or, if earlier, on the date on which the Obligations (other than the Bank Product Obligations) become due and payable pursuant to the terms of this Agreement. Borrower agrees that its obligations contained in the first sentence of this Section 2.5(a) shall survive payment or satisfaction in full of all other Obligations.

(b) Any Lender may request that any portion of its Commitments or the Loans made by it be evidenced by one or more promissory notes. In such event, Borrower shall execute and deliver to such Lender the requested promissory notes payable to the order of such Lender in a form furnished by Agent and reasonably satisfactory to Borrower. Thereafter, the portion of the Commitments and Loans evidenced by such promissory notes and interest thereon shall at all times be represented by one or more promissory notes in such form payable to the order of the payee named therein.

2.6. Interest Rates and Letter of Credit Fee: Rates, Payments, and Calculations.

(a) Interest Rates. Except as provided in Section 2.6(c), all Obligations (except for undrawn Letters of Credit) shall bear interest as follows:

(i) if the relevant Obligation is (A) a First Out Loan Obligation consisting of the First Out Term Loan constituting a LIBOR Rate Loan, at a per annum rate equal to the LIBOR Rate plus the First Out TL LIBOR Rate Margin, (B) any other First Out Loan Obligations constituting a LIBOR Rate Loan, at a per annum rate equal to the LIBOR Rate plus the First Out Revolver LIBOR Rate Margin, and (C) a Last Out Loan Obligation which consists of a LIBOR Rate Loan, at a per annum rate equal to the LIBOR Rate plus the Last Out LIBOR Rate Margin, and

(ii) otherwise, (A) if the relevant Obligation is a First Out Loan Obligation consisting of the First Out Term Loan, at a per annum rate equal to the Base Rate plus the First Out TL Base Rate Margin, (B) if the relevant Obligation is any other First Out Loan Obligation, at a per annum rate equal to the Base Rate plus the First Out Revolver Base Rate Margin and (C) if the relevant Obligation is a Last Out Loan Obligation, at a per annum rate equal to the Base Rate plus the Last Out Base Rate Margin.

For purposes of clarity and subject to interest accruing at the default rate in accordance with clause (c) below, as between the Loan Parties, on the one hand, and the Lenders, on the other hand, in no event shall Loans taken as a whole, calculated on a blended rate basis, bear interest under this clause (a) at a per annum rate in excess of (A) 4.50 percentage points with respect to Base Rate Loans calculated at Level I, (B) 5.50 percentage points with respect to LIBOR Rate Loans calculated at Level I, (C) 5.00 percentage points with respect to Base Rate Loans calculated at Level II or (D) 6.00 percentage points with respect to LIBOR Rate Loans calculated at Level II, as the case may be and the payment by Borrower of interest to Agent in accordance with such blended rate shall satisfy Borrower's obligations with respect thereto. Solely as among the Lenders, the sharing of interest, including under this Section 2.6(a), accrued on the Obligations shall in all cases (and notwithstanding the foregoing) be governed by the Agreement Among Lenders.

(b) Letter of Credit Fee. Borrower shall pay Agent (for the ratable benefit of the Revolving Lenders), a Letter of Credit fee (the "Letter of Credit Fee") (which fee shall be in addition to the fronting fees and commissions, other fees, charges and expenses set forth in Section 2.11(k)) that shall accrue at a *per annum* rate equal to the First Out Revolver LIBOR Rate Margin times the undrawn amount of all outstanding Letters of Credit.

(c) Default Rate. Upon the occurrence and during the continuation of an Event of Default and at the election of the Required Lenders,

(i) all Obligations (except for undrawn Letters of Credit) shall bear interest at a *per annum* rate equal to 2 percentage points above the *per annum* rate otherwise applicable thereunder, and

(ii) the Letter of Credit Fee shall be increased to 2 percentage points above the *per annum* rate otherwise applicable hereunder.

(d) Payment. Except to the extent provided to the contrary in Section 2.10, Section 2.11(k), or Section 2.12(a), (i) all interest, all Letter of Credit Fees and all other fees payable hereunder or under any of the other Loan Documents shall be due and payable, in arrears, on the first day of each month and (ii) all costs and expenses payable hereunder or under any of the other Loan Documents, and all Lender Group Expenses shall be due and payable on the earlier of (x) the first day of the month following the date on which the applicable costs, expenses, or Lender Group Expenses were first incurred or (y) the date on which demand therefor is made by Agent (it being acknowledged and agreed that any charging of such costs, expenses or Lender Group Expenses to the Loan Account pursuant to the provisions of the following sentence shall be deemed to constitute a demand for payment thereof for the purposes of this subclause (y)). Borrower hereby authorizes Agent, from time to time without prior notice to Borrower, to charge to the Loan Account (A) on the first day of each month, all interest accrued during the prior month on the Revolving Loans or the Term Loan hereunder, (B) on the first day of each month, all Letter of Credit Fees accrued or chargeable hereunder during the prior month, (C) as and when incurred or accrued, all fees and costs provided for in Section 2.10 (a) or (c), (D) on the first day of each month, the Unused Line Fee accrued during the prior month pursuant to Section 2.10(b), (E) as and when due and payable, all other fees payable hereunder or under any of the other Loan Documents, (F) as and when incurred or accrued, the fronting fees and all commissions, other fees, charges and expenses provided for in Section 2.11(k), (G) as and when incurred or accrued, all other Lender Group Expenses, and (H) as and when due and payable all other payment obligations payable under any Loan Document or any Bank Product Agreement (including any amounts due and payable to the Bank Product Providers in respect of Bank Products). All amounts (including interest, fees, costs, expenses, Lender Group Expenses, or other amounts payable hereunder or under any other Loan Document or under any Bank Product Agreement) charged to the Loan Account shall thereupon constitute Revolving Loans hereunder, shall constitute Obligations hereunder, and shall initially accrue interest at the rate then applicable to Revolving Loans that are Base Rate Loans (unless and until converted into LIBOR Rate Loans in accordance with the terms of this Agreement).

(e) Computation. All interest and fees chargeable under the Loan Documents shall be computed on the basis of a 360 day year, in each case, for the actual number of days elapsed in the period during which the interest or fees accrue. In the event the Base Rate is changed from time to time hereafter, the rates of interest hereunder based upon the Base Rate automatically and immediately shall be increased or decreased by an amount equal to such change in the Base Rate.

(f) Intent to Limit Charges to Maximum Lawful Rate. In no event shall the interest rate or rates payable under this Agreement, plus any other amounts paid in connection herewith, exceed the highest rate permissible under any law that a court of competent jurisdiction shall, in a final determination, deem applicable. Borrower and the Lender Group, in executing and delivering this Agreement, intend legally to agree upon the rate or rates of interest and manner of payment stated within it; provided, that, anything contained herein to the contrary notwithstanding, if such rate or rates of interest or manner of payment exceeds the maximum allowable under applicable law, then, *ipso facto*, as of the date of this Agreement, Borrower is and shall be liable only for the payment of such maximum amount as is allowed by law, and payment received from Borrower in excess of such legal maximum, whenever received, shall be applied to reduce the principal balance of the Obligations to the extent of such excess.

2.7. Crediting Payments. The receipt of any payment item by Agent shall not be required to be considered a payment on account unless such payment item is a wire transfer of immediately available federal funds made to Agent's Account or unless and until such payment item is honored when presented for payment. Should any payment item not be honored when presented for payment, then Borrower shall be deemed not to have made such payment and interest shall be calculated accordingly. Anything to the contrary contained herein notwithstanding, any payment item shall be deemed received by Agent only if it is received into Agent's Account on a Business Day on or before 1:30 p.m. If any payment item is received into Agent's Account on a non-Business Day or after 1:30 p.m. on a Business Day (unless Agent, in its sole discretion, elects to credit it on the date received), it shall be deemed to have been received by Agent as of the opening of business on the immediately following Business Day.

2.8. Designated Account. Agent is authorized to make the Revolving Loans and the Term Loan, and Issuing Bank is authorized to issue the Letters of Credit, under this Agreement based upon telephonic or other instructions received from anyone purporting to be an Authorized Person or, without instructions, if pursuant to Section 2.6(d). Borrower agrees to establish and maintain the Designated Account with the Designated Account Bank for the purpose of receiving the proceeds of the Revolving Loans requested by Borrower and made by Agent or the Lenders hereunder. Unless otherwise agreed by Agent and Borrower, any Revolving Loan or Swing Loan requested by Borrower and made by Agent or the Lenders hereunder shall be made to the Designated Account.

2.9. Maintenance of Loan Account; Statements of Obligations. Agent shall maintain an account on its books in the name of Borrower (the "Loan Account") on which Borrower will be charged with the Term Loan, all Revolving Loans (including Protective Advances and Swing Loans) made by Agent, Swing Lender, or the Lenders to Borrower or for Borrower's account, the Letters of Credit issued or arranged by Issuing Bank for Borrower's account, and with all other payment Obligations hereunder or under the other Loan Documents, including, accrued interest,

fees and expenses, and Lender Group Expenses. In accordance with Section 2.7, the Loan Account will be credited with all payments received by Agent from Borrower or for Borrower's account. Agent shall make available to Borrower monthly statements regarding the Loan Account, including the principal amount of the Term Loan and the Revolving Loans, interest accrued hereunder, fees accrued or charged hereunder or under the other Loan Documents, and a summary itemization of all charges and expenses constituting Lender Group Expenses accrued hereunder or under the other Loan Documents, and each such statement, absent manifest error, shall be conclusively presumed to be correct and accurate and constitute an account stated between Borrower and the Lender Group unless, within 30 days after Agent first makes such a statement available to Borrower, Borrower shall deliver to Agent written objection thereto describing the error or errors contained in such statement.

2.10. Fees.

(a) Agent Fees. Borrower shall pay to Agent, for the account of Agent, as and when due and payable under the terms of the Fee Letter, the fees set forth in the Fee Letter.

(b) Unused Line Fee. Borrower shall pay to Agent, for the ratable account of the Revolving Lenders, an unused line fee (the "Unused Line Fee") in an amount equal to 0.50% *per annum* times the result of (i) the aggregate amount of the Revolver Commitments, less (ii) the average amount of the Revolver Usage during the immediately preceding month (or portion thereof), which Unused Line Fee shall be due and payable on the first day of each month from and after the Closing Date up to the first day of the month prior to the date on which the Obligations are paid in full and on the date on which the Obligations are paid in full.

(c) Financial Examination and Other Fees. Borrower shall pay to Agent, financial examination, appraisal, and valuation fees and charges, as and when incurred or chargeable, as follows (i) a fee of $1,000 per day, per examiner, plus out-of-pocket expenses (including travel, meals, and lodging) for each financial examination of Borrower performed by personnel employed by Agent, and (ii) the fees or charges paid or incurred by Agent (but, in any event, no less than a charge of $1,000 per day, per Person, plus out-of-pocket expenses (including travel, meals, and lodging)) if it elects to employ the services of one or more third Persons to perform financial examinations of Borrower or its Subsidiaries or to assess Borrower's or its Subsidiaries' business/recurring revenue valuation; provided, that so long as no Default or Event of Default shall have occurred and be continuing, Agent shall not conduct more than: (x) for the first 12 months following the Closing Date, 2 financial examinations and 1 business/recurring revenue valuation and (y) for each succeeding 12 month period thereafter, 1 financial examination and 1 business/recurring revenue valuation.

2.11. Letters of Credit.

(a) Subject to the terms and conditions of this Agreement, upon the request of Borrower made in accordance herewith, and prior to the Maturity Date, Issuing Bank agrees to issue a requested Letter of Credit for the account of Borrower. By submitting a request to Issuing Bank for the issuance of a Letter of Credit, Borrower shall be deemed to have requested that Issuing Bank issue the requested Letter of Credit. Each request for the issuance of a Letter of Credit, or the amendment, renewal, or extension of any outstanding Letter of Credit, shall be

irrevocable and shall be made in writing by an Authorized Person and delivered to Issuing Bank via telefacsimile or other electronic method of transmission reasonably acceptable to Issuing Bank and reasonably in advance of the requested date of issuance, amendment, renewal, or extension. Each such request shall be in form and substance reasonably satisfactory to Issuing Bank and (i) shall specify (A) the amount of such Letter of Credit, (B) the date of issuance, amendment, renewal, or extension of such Letter of Credit, (C) the proposed expiration date of such Letter of Credit, (D) the name and address of the beneficiary of the Letter of Credit, and (E) such other information (including, the conditions to drawing, and, in the case of an amendment, renewal, or extension, identification of the Letter of Credit to be so amended, renewed, or extended) as shall be necessary to prepare, amend, renew, or extend such Letter of Credit, and (ii) shall be accompanied by such Issuer Documents as Agent or Issuing Bank may request or require, to the extent that such requests or requirements are consistent with the Issuer Documents that Issuing Bank generally requests for Letters of Credit in similar circumstances. Bank's records of the content of any such request will be conclusive. Anything contained herein to the contrary notwithstanding, Issuing Bank may, but shall not be obligated to, issue a Letter of Credit that supports the obligations of Borrower or its Subsidiaries in respect of (x) a lease of real property, or (y) an employment contract.

(b) Issuing Bank shall have no obligation to issue a Letter of Credit if any of the following would result after giving effect to the requested issuance:

(i) the Letter of Credit Usage would exceed $250,000, or

(ii) the Letter of Credit Usage would exceed the Maximum Revolver Amount less the outstanding amount of Revolving Loans (including Swing Loans).

(c) In the event there is a Defaulting Lender as of the date of any request for the issuance of a Letter of Credit, the Issuing Bank shall not be required to issue or arrange for such Letter of Credit to the extent (i) the Defaulting Lender's Letter of Credit Exposure with respect to such Letter of Credit may not be reallocated pursuant to Section 2.3(g)(ii), or (ii) the Issuing Bank has not otherwise entered into arrangements reasonably satisfactory to it and Borrower to eliminate the Issuing Bank's risk with respect to the participation in such Letter of Credit of the Defaulting Lender, which arrangements may include Borrower cash collateralizing such Defaulting Lender's Letter of Credit Exposure in accordance with Section 2.3(g)(ii). Additionally, Issuing Bank shall have no obligation to issue a Letter of Credit if (A) any order, judgment, or decree of any Governmental Authority or arbitrator shall, by its terms, purport to enjoin or restrain Issuing Bank from issuing such Letter of Credit, or any law applicable to Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over Issuing Bank shall prohibit or request that Issuing Bank refrain from the issuance of letters of credit generally or such Letter of Credit in particular, (B) the issuance of such Letter of Credit would violate one or more policies of Issuing Bank applicable to letters of credit generally, or (C) if amounts demanded to be paid under any Letter of Credit will or may not be in United States Dollars.

(d) Any Issuing Bank (other than Wells Fargo or any of its Affiliates) shall notify Agent in writing no later than the Business Day immediately following the Business Day on which such Issuing Bank issued any Letter of Credit; provided that (i) until Agent advises any

such Issuing Bank that the provisions of Section 3.2 are not satisfied, or (ii) unless the aggregate amount of the Letters of Credit issued in any such week exceeds such amount as shall be agreed by Agent and such Issuing Bank, such Issuing Bank shall be required to so notify Agent in writing only once each week of the Letters of Credit issued by such Issuing Bank during the immediately preceding week as well as the daily amounts outstanding for the prior week, such notice to be furnished on such day of the week as Agent and such Issuing Bank may agree. Each Letter of Credit shall be in form and substance reasonably acceptable to Issuing Bank, including the requirement that the amounts payable thereunder must be payable in Dollars. If Issuing Bank makes a payment under a Letter of Credit, Borrower shall pay to Agent an amount equal to the applicable Letter of Credit Disbursement on the Business Day such Letter of Credit Disbursement is made and, in the absence of such payment, the amount of the Letter of Credit Disbursement immediately and automatically shall be deemed to be a Revolving Loan hereunder (notwithstanding any failure to satisfy any condition precedent set forth in Section 3) and, initially, shall bear interest at the rate then applicable to Revolving Loans that are Base Rate Loans. If a Letter of Credit Disbursement is deemed to be a Revolving Loan hereunder, Borrower's obligation to pay the amount of such Letter of Credit Disbursement to Issuing Bank shall be automatically converted into an obligation to pay the resulting Revolving Loan. Promptly following receipt by Agent of any payment from Borrower pursuant to this paragraph, Agent shall distribute such payment to Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to Section 2.11(e) to reimburse Issuing Bank, then to such Revolving Lenders and Issuing Bank as their interests may appear.

(e) Promptly following receipt of a notice of a Letter of Credit Disbursement pursuant to Section 2.11(d), each Revolving Lender agrees to fund its Pro Rata Share of any Revolving Loan deemed made pursuant to Section 2.11(d) on the same terms and conditions as if Borrower had requested the amount thereof as a Revolving Loan and Agent shall promptly pay to Issuing Bank the amounts so received by it from the Revolving Lenders. By the issuance of a Letter of Credit (or an amendment, renewal, or extension of a Letter of Credit) and without any further action on the part of Issuing Bank or the Revolving Lenders, Issuing Bank shall be deemed to have granted to each Revolving Lender, and each Revolving Lender shall be deemed to have purchased, a participation in each Letter of Credit issued by Issuing Bank, in an amount equal to its Pro Rata Share of such Letter of Credit, and each such Revolving Lender agrees to pay to Agent, for the account of Issuing Bank, such Revolving Lender's Pro Rata Share of any Letter of Credit Disbursement made by Issuing Bank under the applicable Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to Agent, for the account of Issuing Bank, such Revolving Lender's Pro Rata Share of each Letter of Credit Disbursement made by Issuing Bank and not reimbursed by Borrower on the date due as provided in Section 2.11(d), or of any reimbursement payment that is required to be refunded (or that Agent or Issuing Bank elects, based upon the advice of counsel, to refund) to Borrower for any reason. Each Revolving Lender acknowledges and agrees that its obligation to deliver to Agent, for the account of Issuing Bank, an amount equal to its respective Pro Rata Share of each Letter of Credit Disbursement pursuant to this Section 2.11(e) shall be absolute and unconditional and such remittance shall be made notwithstanding the occurrence or continuation of an Event of Default or Default or the failure to satisfy any condition set forth in Section 3. If any such Revolving Lender fails to make available to Agent the amount of such Revolving Lender's Pro Rata Share of a Letter of Credit Disbursement as provided in this Section, such Revolving Lender shall be deemed to be a

Defaulting Lender and Agent (for the account of Issuing Bank) shall be entitled to recover such amount on demand from such Revolving Lender together with interest thereon at the Defaulting Lender Rate until paid in full.

(f) Borrower agrees to indemnify, defend and hold harmless each member of the Lender Group (including Issuing Bank and its branches, Affiliates, and correspondents) and each such Person's respective directors, officers, employees, attorneys and agents (each, including Issuing Bank, a "Letter of Credit Related Person") (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and damages, and all reasonable fees and disbursements of attorneys, experts, or consultants and all other costs and expenses actually incurred in connection therewith or in connection with the enforcement of this indemnification (as and when they are incurred and irrespective of whether suit is brought), which may be incurred by or awarded against any such Letter of Credit Related Person (other than Taxes, which shall be governed by Section 16) (the "Letter of Credit Indemnified Costs"), and which arise out of or in connection with, or as a result of:

(i) any Letter of Credit or any pre-advice of its issuance;

(ii) any transfer, sale, delivery, surrender or endorsement of any Drawing Document at any time(s) held by any such Letter of Credit Related Person in connection with any Letter of Credit;

(iii) any action or proceeding arising out of, or in connection with, any Letter of Credit (whether administrative, judicial or in connection with arbitration), including any action or proceeding to compel or restrain any presentation or payment under any Letter of Credit, or for the wrongful dishonor of, or honoring a presentation under, any Letter of Credit;

(iv) any independent undertakings issued by the beneficiary of any Letter of Credit;

(v) any unauthorized instruction or request made to Issuing Bank in connection with any Letter of Credit or requested Letter of Credit or error in computer or electronic transmission;

(vi) an adviser, confirmer or other nominated person seeking to be reimbursed, indemnified or compensated;

(vii) any third party seeking to enforce the rights of an applicant, beneficiary, nominated person, transferee, assignee of Letter of Credit proceeds or holder of an instrument or document;

(viii) the fraud, forgery or illegal action of parties other than the Letter of Credit Related Person;

(ix) Issuing Bank's performance of the obligations of a confirming institution or entity that wrongfully dishonors a confirmation; or

(x) the acts or omissions, whether rightful or wrongful, of any present or future de jure or de facto governmental or regulatory authority or cause or event beyond the control of the Letter of Credit Related Person;

in each case, including that resulting from the Letter of Credit Related Person's own negligence; provided, however, that such indemnity shall not be available to any Letter of Credit Related Person claiming indemnification under clauses (i) through (x) above to the extent that such Letter of Credit Indemnified Costs may be finally determined in a final, non-appealable judgment of a court of competent jurisdiction to have resulted directly from the gross negligence or willful misconduct of the Letter of Credit Related Person claiming indemnity. Borrower hereby agrees to pay the Letter of Credit Related Person claiming indemnity on demand from time to time all amounts owing under this Section 2.11(f). If and to the extent that the obligations of Borrower under this Section 2.11(f) are unenforceable for any reason, Borrower agrees to make the maximum contribution to the Letter of Credit Indemnified Costs permissible under applicable law. This indemnification provision shall survive termination of this Agreement and all Letters of Credit.

(g) The liability of Issuing Bank (or any other Letter of Credit Related Person) under, in connection with or arising out of any Letter of Credit (or pre-advice), regardless of the form or legal grounds of the action or proceeding, shall be limited to direct damages suffered by Borrower that are caused directly by Issuing Bank's gross negligence or willful misconduct in (i) honoring a presentation under a Letter of Credit that on its face does not at least substantially comply with the terms and conditions of such Letter of Credit, (ii) failing to honor a presentation under a Letter of Credit that strictly complies with the terms and conditions of such Letter of Credit or (iii) retaining Drawing Documents presented under a Letter of Credit. Issuing Bank shall be deemed to have acted with due diligence and reasonable care if Issuing Bank's conduct is in accordance with Standard Letter of Credit Practice or in accordance with this Agreement. Borrower's aggregate remedies against Issuing Bank and any Letter of Credit Related Person for wrongfully honoring a presentation under any Letter of Credit or wrongfully retaining honored Drawing Documents shall in no event exceed the aggregate amount paid by Borrower to Issuing Bank in respect of the honored presentation in connection with such Letter of Credit under Section 2.11(d), plus interest at the rate then applicable to Base Rate Loans hereunder. Borrower shall take action to avoid and mitigate the amount of any damages claimed against Issuing Bank or any other Letter of Credit Related Person, including by enforcing its rights against the beneficiaries of the Letters of Credit. Any claim by Borrower under or in connection with any Letter of Credit shall be reduced by an amount equal to the sum of (x) the amount (if any) saved by Borrower as a result of the breach or alleged wrongful conduct complained of; and (y) the amount (if any) of the loss that would have been avoided had Borrower taken all reasonable steps to mitigate any loss, and in case of a claim of wrongful dishonor, by specifically and timely authorizing Issuing Bank to effect a cure.

(h) Borrower is responsible for preparing or approving the final text of the Letter of Credit as issued by Issuing Bank, irrespective of any assistance Issuing Bank may provide such as drafting or recommending text or by Issuing Bank's use or refusal to use text submitted by Borrower. Borrower is solely responsible for the suitability of the Letter of Credit for Borrower's purposes. With respect to any Letter of Credit containing an "automatic amendment" to extend the expiration date of such Letter of Credit, Issuing Bank, in its sole and

absolute discretion, may give notice of nonrenewal of such Letter of Credit and, if Borrower does not at any time want such Letter of Credit to be renewed, Borrower will so notify Agent and Issuing Bank at least 15 calendar days before Issuing Bank is required to notify the beneficiary of such Letter of Credit or any advising bank of such nonrenewal pursuant to the terms of such Letter of Credit.

(i) Borrower's reimbursement and payment obligations under this Section 2.11 are absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever, including:

(i) any lack of validity, enforceability or legal effect of any Letter of Credit or this Agreement or any term or provision therein or herein;

(ii) payment against presentation of any draft, demand or claim for payment under any Drawing Document that does not comply in whole or in part with the terms of the applicable Letter of Credit or which proves to be fraudulent, forged or invalid in any respect or any statement therein being untrue or inaccurate in any respect, or which is signed, issued or presented by a Person or a transferee of such Person purporting to be a successor or transferee of the beneficiary of such Letter of Credit;

(iii) Issuing Bank or any of its branches or Affiliates being the beneficiary of any Letter of Credit;

(iv) Issuing Bank or any correspondent honoring a drawing against a Drawing Document up to the amount available under any Letter of Credit even if such Drawing Document claims an amount in excess of the amount available under the Letter of Credit;

(v) the existence of any claim, set-off, defense or other right that Borrower or any other Person may have at any time against any beneficiary, any assignee of proceeds, Issuing Bank or any other Person;

(vi) any other event, circumstance or conduct whatsoever, whether or not similar to any of the foregoing that might, but for this Section 2.11(i), constitute a legal or equitable defense to or discharge of, or provide a right of set-off against, Borrower's reimbursement and other payment obligations and liabilities, arising under, or in connection with, any Letter of Credit, whether against Issuing Bank, the beneficiary or any other Person; or

(vii) the fact that any Default or Event of Default shall have occurred and be continuing;

provided, however, that subject to Section 2.11(g) above, the foregoing shall not release Issuing Bank from such liability to Borrower as may be finally determined in a final, non-appealable judgment of a court of competent jurisdiction against Issuing Bank following reimbursement or payment of the obligations and liabilities, including reimbursement and other payment

obligations, of Borrower to Issuing Bank arising under, or in connection with, this Section 2.11 or any Letter of Credit.

(j) Without limiting any other provision of this Agreement, Issuing Bank and each other Letter of Credit Related Person (if applicable) shall not be responsible to Borrower for, and Issuing Bank's rights and remedies against Borrower and the obligation of Borrower to reimburse Issuing Bank for each drawing under each Letter of Credit shall not be impaired by:

(i) honor of a presentation under any Letter of Credit that on its face substantially complies with the terms and conditions of such Letter of Credit, even if the Letter of Credit requires strict compliance by the beneficiary;

(ii) honor of a presentation of any Drawing Document that appears on its face to have been signed, presented or issued (A) by any purported successor or transferee of any beneficiary or other Person required to sign, present or issue such Drawing Document or (B) under a new name of the beneficiary;

(iii) acceptance as a draft of any written or electronic demand or request for payment under a Letter of Credit, even if nonnegotiable or not in the form of a draft or notwithstanding any requirement that such draft, demand or request bear any or adequate reference to the Letter of Credit;

(iv) the identity or authority of any presenter or signer of any Drawing Document or the form, accuracy, genuineness or legal effect of any Drawing Document (other than Issuing Bank's determination that such Drawing Document appears on its face substantially to comply with the terms and conditions of the Letter of Credit);

(v) acting upon any instruction or request relative to a Letter of Credit or requested Letter of Credit that Issuing Bank in good faith believes to have been given by a Person authorized to give such instruction or request;

(vi) any errors, omissions, interruptions or delays in transmission or delivery of any message, advice or document (regardless of how sent or transmitted) or for errors in interpretation of technical terms or in translation or any delay in giving or failing to give notice to Borrower;

(vii) any acts, omissions or fraud by, or the insolvency of, any beneficiary, any nominated person or entity or any other Person or any breach of contract between the beneficiary and Borrower or any of the parties to the underlying transaction to which the Letter of Credit relates;

(viii) assertion or waiver of any provision of the ISP or UCP that primarily benefits an issuer of a letter of credit, including any requirement that any Drawing Document be presented to it at a particular hour or place;

(ix) payment to any paying or negotiating bank (designated or permitted by the terms of the applicable Letter of Credit) claiming that it rightfully

honored or is entitled to reimbursement or indemnity under Standard Letter of Credit Practice applicable to it;

(x) acting or failing to act as required or permitted under Standard Letter of Credit Practice applicable to where Issuing Bank has issued, confirmed, advised or negotiated such Letter of Credit, as the case may be;

(xi) honor of a presentation after the expiration date of any Letter of Credit notwithstanding that a presentation was made prior to such expiration date and dishonored by Issuing Bank if subsequently Issuing Bank or any court or other finder of fact determines such presentation should have been honored;

(xii) dishonor of any presentation that does not strictly comply or that is fraudulent, forged or otherwise not entitled to honor; or

(xiii) honor of a presentation that is subsequently determined by Issuing Bank to have been made in violation of international, federal, state or local restrictions on the transaction of business with certain prohibited Persons.

(k) Borrower shall pay immediately upon demand to Agent for the account of Issuing Bank as non-refundable fees, commissions, and charges (it being acknowledged and agreed that any charging of such fees, commissions, and charges to the Loan Account pursuant to the provisions of Section 2.6(d) shall be deemed to constitute a demand for payment thereof for the purposes of this Section 2.11(k)): (i) a fronting fee which shall be imposed by Issuing Bank upon the issuance of each Letter of Credit of 0.50% *per annum* of the face amount thereof, *plus* (ii) any and all other customary commissions, fees and charges then in effect imposed by, and any and all expenses incurred by, Issuing Bank, or by any adviser, confirming institution or entity or other nominated person, relating to Letters of Credit, at the time of issuance of any Letter of Credit and upon the occurrence of any other activity with respect to any Letter of Credit (including transfers, assignments of proceeds, amendments, drawings, renewals or cancellations).

(l) If by reason of (x) any Change in Law, or (y) compliance by Issuing Bank or any other member of the Lender Group with any direction, request, or requirement (irrespective of whether having the force of law) of any Governmental Authority or monetary authority including, Regulation D of the Board of Governors as from time to time in effect (and any successor thereto):

(i) any reserve, deposit, or similar requirement is or shall be imposed or modified in respect of any Letter of Credit issued or caused to be issued hereunder or hereby, or

(ii) there shall be imposed on Issuing Bank or any other member of the Lender Group any other condition regarding any Letter of Credit,

and the result of the foregoing is to increase, directly or indirectly, the cost to Issuing Bank or any other member of the Lender Group of issuing, making, participating in, or maintaining any Letter of Credit or to reduce the amount receivable in respect thereof, then, and in any such case, Agent may, at any time within a reasonable period after the additional cost is incurred or the

amount received is reduced, notify Borrower, and Borrower shall pay within 30 days after demand therefor, such amounts as Agent may specify to be necessary to compensate Issuing Bank or any other member of the Lender Group for such additional cost or reduced receipt, together with interest on such amount from the date of such demand until payment in full thereof at the rate then applicable to Base Rate Loans hereunder; provided, that (A) Borrower shall not be required to provide any compensation pursuant to this Section 2.11(l) for any such amounts incurred more than 180 days prior to the date on which the demand for payment of such amounts is first made to Borrower, and (B) if an event or circumstance giving rise to such amounts is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof. The determination by Agent of any amount due pursuant to this Section 2.11(l), as set forth in a certificate setting forth the calculation thereof in reasonable detail, shall, in the absence of manifest or demonstrable error, be final and conclusive and binding on all of the parties hereto.

(m) Unless otherwise expressly agreed by Issuing Bank and Borrower when a Letter of Credit is issued, (i) the rules of the ISP and the UCP shall apply to each standby Letter of Credit, and (ii) the rules of the UCP shall apply to each commercial Letter of Credit.

(n) In the event of a direct conflict between the provisions of this Section 2.11 and any provision contained in any Issuer Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of this Section 2.11 shall control and govern.

2.12. LIBOR Option.

(a) Interest and Interest Payment Dates. In lieu of having interest charged at the rate based upon the Base Rate, Borrower shall have the option, subject to Section 2.12(b) below (the "LIBOR Option") to have interest on all or a portion of the Revolving Loans or the Term Loan be charged (whether at the time when made (unless otherwise provided herein), upon conversion from a Base Rate Loan to a LIBOR Rate Loan, or upon continuation of a LIBOR Rate Loan as a LIBOR Rate Loan) at a rate of interest based upon the LIBOR Rate. Interest on LIBOR Rate Loans shall be payable on the earliest of (i) the last day of the Interest Period applicable thereto; provided, that, subject to the following clauses (ii) and (iii), in the case of any Interest Period greater than 3 months in duration, interest shall be payable at 3 month intervals after the commencement of the applicable Interest Period and on the last day of such Interest Period), (ii) the date on which all or any portion of the Obligations are accelerated pursuant to the terms hereof, or (iii) the date on which this Agreement is terminated pursuant to the terms hereof. On the last day of each applicable Interest Period, unless Borrower properly has exercised the LIBOR Option with respect thereto, the interest rate applicable to such LIBOR Rate Loan automatically shall convert to the rate of interest then applicable to Base Rate Loans of the same type hereunder. At any time that an Event of Default has occurred and is continuing, Borrower no longer shall have the option to request that Revolving Loans bear interest at a rate based upon the LIBOR Rate.

(b) LIBOR Election.

(i) Borrower may, at any time and from time to time, so long as no Event of Default has occurred and is continuing, elect to exercise the LIBOR Option by notifying Agent prior to 11:00 a.m. at least 1 Business Day prior to the commencement of the proposed Interest Period (the "LIBOR Deadline"). Notice of Borrower's election of the LIBOR Option for a permitted portion of the Revolving Loans or the Term Loan and an Interest Period pursuant to this Section shall be made by delivery to Agent of a LIBOR Notice received by Agent before the LIBOR Deadline, or by telephonic notice received by Agent before the LIBOR Deadline (to be confirmed by delivery to Agent of a LIBOR Notice received by Agent prior to 5:00 p.m. on the same day). Promptly upon its receipt of each such LIBOR Notice, Agent shall provide a copy thereof to each of the affected Lenders.

(ii) Each LIBOR Notice shall be irrevocable and binding on Borrower. In connection with each LIBOR Rate Loan, Borrower shall indemnify, defend, and hold Agent and the Lenders harmless against any loss, cost, or expense actually incurred by Agent or any Lender as a result of (A) the payment of any principal of any LIBOR Rate Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (B) the conversion of any LIBOR Rate Loan other than on the last day of the Interest Period applicable thereto, or (C) the failure to borrow, convert, continue or prepay any LIBOR Rate Loan on the date specified in any LIBOR Notice delivered pursuant hereto (such losses, costs, or expenses, "Funding Losses"). A certificate of Agent or a Lender delivered to Borrower setting forth in reasonable detail any amount or amounts that Agent or such Lender is entitled to receive pursuant to this Section 2.12 shall be conclusive absent manifest error. Borrower shall pay such amount to Agent or the Lender, as applicable, within 30 days of the date of its receipt of such certificate. If a payment of a LIBOR Rate Loan on a day other than the last day of the applicable Interest Period would result in a Funding Loss, Agent may, in its sole discretion at the request of Borrower, hold the amount of such payment as cash collateral in support of the Obligations until the last day of such Interest Period and apply such amounts to the payment of the applicable LIBOR Rate Loan on such last day, it being agreed that Agent has no obligation to so defer the application of payments to any LIBOR Rate Loan and that, in the event that Agent does not defer such application, Borrower shall be obligated to pay any resulting Funding Losses.

(iii) Unless Agent, in its sole discretion, agrees otherwise, Borrower shall have not more than 5 LIBOR Rate Loans in effect at any given time. Borrower only may exercise the LIBOR Option for proposed LIBOR Rate Loans of at least $500,000.

(c) Conversion. Borrower may convert LIBOR Rate Loans to Base Rate Loans at any time; provided, that in the event that LIBOR Rate Loans are converted or prepaid on any date that is not the last day of the Interest Period applicable thereto, including as a result of any prepayment through the required application by Agent of any payments or proceeds of Collateral in accordance with Section 2.4(b) or for any other reason, including early termination of the term of this Agreement or acceleration of all or any portion of the Obligations pursuant to

the terms hereof, Borrower shall indemnify, defend, and hold Agent and the Lenders and their Participants harmless against any and all Funding Losses in accordance with Section 2.12 (b)(ii).

(d) Special Provisions Applicable to LIBOR Rate.

(i) The LIBOR Rate may be adjusted by Agent with respect to any Lender on a prospective basis to take into account any additional or increased costs to such Lender of maintaining or obtaining any eurodollar deposits or increased costs, in each case, due to changes in applicable law occurring subsequent to the commencement of the then applicable Interest Period, including any Changes in Law (including any changes in Tax laws) and changes in the reserve requirements imposed by the Board of Governors, which additional or increased costs would increase the cost of funding or maintaining loans bearing interest at the LIBOR Rate. In any such event, the affected Lender shall give Borrower and Agent notice of such a determination and adjustment and Agent promptly shall transmit the notice to each other Lender and, upon its receipt of the notice from the affected Lender, Borrower may, by notice to such affected Lender (A) require such Lender to furnish to Borrower a statement setting forth in reasonable detail the basis for adjusting such LIBOR Rate and the method for determining the amount of such adjustment, or (B) repay the LIBOR Rate Loans of such Lender with respect to which such adjustment is made (together with any amounts due under Section 2.12(b)(ii)).

(ii) In the event that any change in market conditions or any Change in Law shall at any time after the date hereof, in the reasonable opinion of any Lender, make it unlawful or impractical for such Lender to fund or maintain LIBOR Rate Loans or to continue such funding or maintaining, or to determine or charge interest rates at the LIBOR Rate, such Lender shall give notice of such changed circumstances to Agent and Borrower and Agent promptly shall transmit the notice to each other Lender and (y) in the case of any LIBOR Rate Loans of such Lender that are outstanding, the date specified in such Lender's notice shall be deemed to be the last day of the Interest Period of such LIBOR Rate Loans, and interest upon the LIBOR Rate Loans of such Lender thereafter shall accrue interest at the rate then applicable to Base Rate Loans, and (z) Borrower shall not be entitled to elect the LIBOR Option until such Lender determines that it would no longer be unlawful or impractical to do so.

(e) No Requirement of Matched Funding. Anything to the contrary contained herein notwithstanding, neither Agent, nor any Lender, nor any of their Participants, is required actually to acquire eurodollar deposits to fund or otherwise match fund any Obligation as to which interest accrues at the LIBOR Rate.

2.13. Capital Requirements.

(a) If, after the date hereof, Issuing Bank or any Lender determines that (i) any Change in Law regarding capital or reserve requirements for banks or bank holding companies, or (ii) compliance by Issuing Bank or such Lender, or their respective parent bank holding companies, with any guideline, request or directive of any Governmental Authority regarding capital adequacy (whether or not having the force of law), has the effect of reducing the return on Issuing Bank's, such Lender's, or such holding companies' capital as a consequence

of Issuing Bank's or such Lender's commitments hereunder to a level below that which Issuing Bank, such Lender, or such holding companies could have achieved but for such Change in Law or compliance (taking into consideration Issuing Bank's, such Lender's, or such holding companies' then existing policies with respect to capital adequacy and assuming the full utilization of such entity's capital) by any amount deemed by Issuing Bank or such Lender to be material, then Issuing Bank or such Lender may notify Borrower and Agent thereof. Following receipt of such notice, Borrower agrees to pay Issuing Bank or such Lender on demand the amount of such reduction of return of capital as and when such reduction is determined, payable within 30 days after presentation by Issuing Bank or such Lender of a statement in the amount and setting forth in reasonable detail Issuing Bank's or such Lender's calculation thereof and the assumptions upon which such calculation was based (which statement shall be deemed true and correct absent manifest error). In determining such amount, Issuing Bank or such Lender may use any reasonable averaging and attribution methods. Failure or delay on the part of Issuing Bank or any Lender to demand compensation pursuant to this Section shall not constitute a waiver of Issuing Bank's or such Lender's right to demand such compensation; provided that Borrower shall not be required to compensate Issuing Bank or a Lender pursuant to this Section for any reductions in return incurred more than 180 days prior to the date that Issuing Bank or such Lender notifies Borrower of such Change in Law giving rise to such reductions and of such Lender's intention to claim compensation therefor; provided further that if such claim arises by reason of the Change in Law that is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

(b) If Issuing Bank or any Lender requests additional or increased costs referred to in Section 2.11(l) or Section 2.12(d)(i) or amounts under Section 2.13(a) or sends a notice under Section 2.12(d)(ii) relative to changed circumstances (such Issuing Bank or Lender, an "Affected Lender"), then such Affected Lender shall use reasonable efforts to promptly designate a different one of its lending offices or to assign its rights and obligations hereunder to another of its offices or branches, if (i) in the reasonable judgment of such Affected Lender, such designation or assignment would eliminate or reduce amounts payable pursuant to Section 2.11(l), Section 2.12(d)(i) or Section 2.13(a), as applicable, or would eliminate the illegality or impracticality of funding or maintaining LIBOR Rate Loans and (ii) in the reasonable judgment of such Affected Lender, such designation or assignment would not subject it to any material unreimbursed cost or expense and would not otherwise be materially disadvantageous to it. Borrower agrees to pay all reasonable out-of-pocket costs and expenses incurred by such Affected Lender in connection with any such designation or assignment. If, after such reasonable efforts, such Affected Lender does not so designate a different one of its lending offices or assign its rights to another of its offices or branches so as to eliminate Borrower's obligation to pay any future amounts to such Affected Lender pursuant to Section 2.11(l), Section 2.12(d)(i) or Section 2.13(a), as applicable, or to enable Borrower to obtain LIBOR Rate Loans, then Borrower (without prejudice to any amounts then due to such Affected Lender under Section 2.11(l), Section 2.12(d)(i) or Section 2.13(a), as applicable) may, unless prior to the effective date of any such assignment the Affected Lender withdraws its request for such additional amounts under Section 2.11(l), Section 2.12(d)(i) or Section 2.13(a), as applicable, or indicates that it is no longer unlawful or impractical to fund or maintain LIBOR Rate Loans, may designate a different Issuing Bank or substitute a Lender, in each case, reasonably acceptable to Agent to purchase the Obligations owed to such Affected Lender and such Affected Lender's commitments hereunder (a "Replacement Lender"), and if such

Replacement Lender agrees to such purchase, such Affected Lender shall assign to the Replacement Lender its Obligations and Commitments, and upon such purchase by the Replacement Lender, which such Replacement Lender shall be deemed to be "Issuing Bank" or a "Lender" (as the case may be) for purposes of this Agreement and such Affected Lender shall cease to be "Issuing Bank" or a "Lender" (as the case may be) for purposes of this Agreement.

(c) Notwithstanding anything herein to the contrary, the protection of Sections 2.11(l), 2.12(d), and 2.13 shall be available to Issuing Bank and each Lender (as applicable) regardless of any possible contention of the invalidity or inapplicability of the law, rule, regulation, judicial ruling, judgment, guideline, treaty or other change or condition which shall have occurred or been imposed, so long as it shall be customary for issuing banks or lenders affected thereby to comply therewith. Notwithstanding any other provision herein, neither Issuing Bank nor any Lender shall demand compensation pursuant to this Section 2.13 if it shall not at the time be the general policy or practice of Issuing Bank or such Lender (as the case may be) to demand such compensation in similar circumstances under comparable provisions of other credit agreements, if any.

2.14. Accordion.

(a) At any time during the period from and after the Closing Date through but excluding the date that is the 4 year anniversary of the Closing Date, at the option of Borrower (but subject to the conditions set forth in clause (b) below), the Term Loan Amount may be increased by an amount in the aggregate for all such increases of the Term Loan Amount not to exceed the Available Increase Amount (each such increase, an "Increase"). Agent shall invite each Lender to increase its Pro Rata Share of the Term Loan Amount (it being understood that no Lender shall be obligated to increase its Pro Rata Share of the Term Loan Amount) in connection with a proposed Increase at the interest margin proposed by Borrower, and if sufficient Lenders do not agree to increase their Pro Rata Share of the Term Loan Amount in connection with such proposed Increase, then Agent or Borrower may invite any prospective lender who is reasonably satisfactory to Agent and Borrower to become a Lender in connection with a proposed Increase. Any Increase shall be in an amount of at least $1,000,000 and integral multiples of $500,000 in excess thereof. In no event may the Term Loan Amount be increased pursuant to this Section 2.14 on more than 4 occasions in the aggregate for all such Increases. Additionally, for the avoidance of doubt, it is understood and agreed that in no event shall the aggregate amount of the Increases to the Term Loan Amount exceed $10,000,000.

(b) Each of the following shall be conditions precedent to any Increase of the Term Loan Amount and the making of the additional portion of the Term Loan (each, an "Additional Portion of the Term Loan" and collectively, the "Additional Portions of the Term Loan") in connection therewith:

(i) Agent or Borrower have obtained the commitment of one or more Lenders (or other prospective lenders) reasonably satisfactory to Agents and Borrower to provide the applicable Increase and any such Lenders (or prospective lenders), Borrower, and Agent have signed (A) a joinder agreement to this Agreement (an "Increase Joinder"), in form and substance reasonably satisfactory to Agents, to which such Lenders (or prospective lenders), Borrower, and Agent are party and (B) an

Acknowledgement to the Agreement Among Lenders to account for such increase and the terms and provisions applicable to such Additional Portion of the Term Loan,

(ii) the proceeds of any Additional Portion of the Term Loan are used to finance a prospective Permitted Acquisition,

(iii) each of the conditions precedent set forth in Section 3.2 are satisfied,

(iv) Borrower has delivered to Agent updated *pro forma* Projections (after giving effect to the applicable Increase and consummation of the related Permitted Acquisition) for Borrower and its Subsidiaries evidencing that on a *pro forma* basis after giving effect to the applicable Increase, (A) the Leverage Ratio as of the end of the fiscal quarter most recently ended as to which financial statements were required to be delivered pursuant to this Agreement was lower than the lesser of (1) 3.25 and (2) 0.25 less than the maximum Leverage Ratio permitted pursuant to Section 7(b) for such fiscal quarter and (B) Borrower would be in compliance with Section 7 for the 4 fiscal quarters (on a quarter-by-quarter basis) immediately following the proposed date of the applicable Increase, and

(v) Borrower shall have reached agreement with the Lenders (or prospective lenders) making the Additional Portion of the Term Loan with respect to the interest margins, closing fees, and amortization payment schedule applicable to the Additional Portion of the Term Loan (each of which may be different with respect to the Additional Portion of the Term Loan from such terms applicable to the Term Loan set forth in this Agreement immediately prior to the date of the making of such Additional Portion of the Term Loan (the date of the effectiveness of the making of such Additional Portion of the Term Loan, the "Increase Date")) and shall have communicated the amount of such interest margins, closing fees, and amortization payment schedule to Agent. Any Increase Joinder may, with the consent of Agent, Borrower and the Lenders or prospective lenders agreeing to the proposed Increase, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate to effectuate the provisions of this Section 2.14 (including any amendment necessary to effectuate the interest margins, closing fees, and amortization payment schedule for the Additional Portion of the Term Loan). Anything to the contrary contained herein notwithstanding, if the interest margin that is to be applicable to the Additional Portion of the Term Loan is higher than the interest margin applicable to the Term Loan hereunder immediately prior to the applicable Increase Date (the amount by which the interest margin is higher, the "Excess"), then the interest margin applicable to the Term Loan immediately prior to the Increase Date shall be increased by the amount of the Excess, effective on the applicable Increase Date, and without the necessity of any action by any party hereto.

(c) Unless otherwise specifically provided herein, all references in this Agreement and any other Loan Document to the Term Loan shall be deemed, unless the context otherwise requires, to include any Additional Portion of the Term Loan made pursuant to the increased Term Loan Amount pursuant to this Section 2.14.

(d) The Term Loan and the Term Loan Amount established pursuant to this Section 2.14 shall constitute the Term Loan and Term Loan Amount under, and shall be entitled to all the benefits afforded by this Agreement and the other Loan Documents, and shall, without limiting the foregoing, benefit equally and ratably from any guarantees and the security interests created by the Loan Documents. Borrower shall take any actions reasonably required by Agent to ensure and demonstrate that the Liens and security interests granted by the Loan Documents continue to be perfected under the Code or otherwise after giving effect to the establishment of any such new Term Loan Amount.

3. CONDITIONS; TERM OF AGREEMENT.

3.1. Conditions Precedent to the Initial Extension of Credit. The obligation of each Lender to make the initial extensions of credit provided for hereunder is subject to the fulfillment, to the satisfaction of Agent and each Lender, of each of the conditions precedent set forth on Schedule 3.1 (the making of such initial extensions of credit by a Lender being conclusively deemed to be its satisfaction or waiver of the conditions precedent).

3.2. Conditions Precedent to all Extensions of Credit. The obligation of the Lender Group (or any member thereof) to make any Revolving Loans hereunder (or to extend any other credit hereunder) at any time shall be subject to the following conditions precedent:

(a) the representations and warranties of Borrower and/or its Subsidiaries contained in this Agreement or in the other Loan Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of such extension of credit, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date); and

(b) no Default or Event of Default shall have occurred and be continuing on the date of such extension of credit, nor shall either result from the making thereof.

3.3. Maturity. This Agreement shall continue in full force and effect for a term ending on the Maturity Date.

3.4. Effect of Maturity. On the Maturity Date, all commitments of the Lender Group to provide additional credit hereunder shall automatically be terminated and all of the Obligations immediately shall become due and payable without notice or demand and Borrower shall be required to repay all of the Obligations in full. No termination of the obligations of the Lender Group (other than payment in full of the Obligations and termination of the Commitments) shall relieve or discharge any Loan Party of its duties, obligations, or covenants hereunder or under any other Loan Document and Agent's Liens in the Collateral shall continue to secure the Obligations and shall remain in effect until all Obligations have been paid in full and the Commitments have been terminated. When all of the Obligations have been paid in full

and the Lender Group's obligations to provide additional credit under the Loan Documents have been terminated irrevocably, Agent will, at Borrower's sole expense, execute and deliver any termination statements, lien releases, discharges of security interests, and other similar discharge or release documents (and, if applicable, in recordable form) as are reasonably necessary to release, as of record, Agent's Liens and all notices of security interests and liens previously filed by Agent.

3.5. Early Termination by Borrower. Borrower has the option, at any time upon 10 Business Days prior written notice to Agent, to terminate this Agreement and terminate the Commitments hereunder by repaying to Agent all of the Obligations in full. The foregoing notwithstanding, (a) Borrower may rescind termination notices relative to proposed payments in full of the Obligations with the proceeds of (i) third party Indebtedness or (ii) a Permitted Disposition involving the sale of substantially all of the assets of the Loan Parties, if the closing for such issuance, incurrence, or disposition does not happen on or before the date of the proposed termination (in which case, a new notice shall be required to be sent in connection with any subsequent termination), and (b) Borrower may extend the date of termination at any time with the consent of Agent, and with respect to extensions over 60 days, Required Lenders (each of which consent shall not be unreasonably withheld or delayed).

3.6. Conditions Subsequent. The obligation of the Lender Group (or any member thereof) to continue to make Revolving Loans (or otherwise extend credit hereunder) is subject to the fulfillment, on or before the date applicable thereto, of the conditions subsequent set forth on Schedule 3.6 (the failure by Borrower to so perform or cause to be performed such conditions subsequent as and when required by the terms thereof (unless such date is extended, in writing, by Agent, which Agent may do for up to 30 days without obtaining the consent of the other members of Required Lenders for the Lender Group), shall constitute an Event of Default)..

4. REPRESENTATIONS AND WARRANTIES.

In order to induce the Lender Group to enter into this Agreement, Borrower makes the following representations and warranties to the Lender Group which shall be true, correct, and complete, in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), as of the Closing Date, and shall be true, correct, and complete, in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), as of the date of the making of each Revolving Loan (or other extension of credit) made thereafter, as though made on and as of the date of such Revolving Loan (or other extension of credit) (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date) and such representations and warranties shall survive the execution and delivery of this Agreement:

4.1. Due Organization and Qualification; Subsidiaries.

(a) Each Loan Party (i) is duly organized and existing and in good standing under the laws of the jurisdiction of its organization, (ii) is qualified to do business in any state where the failure to be so qualified could reasonably be expected to result in a Material Adverse Effect, and (iii) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby.

(b) Set forth on Schedule 4.1(b) (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under this Agreement) is a complete and accurate description of the authorized Equity Interests of Borrower, by class, and, as of the Closing Date, a description of the number of shares of each such class that are issued and outstanding. Except as set forth on Schedule 4.1(b), Borrower is not subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of its Equity Interests or any security convertible into or exchangeable for any of its Equity Interests.

(c) Set forth on Schedule 4.1(c) (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under this Agreement), is a complete and accurate list of the Loan Parties' direct and indirect Subsidiaries, showing: (i) the number of shares of each class of common and preferred Equity Interests authorized for each of such Subsidiaries, and (ii) the number and the percentage of the outstanding shares of each such class owned directly or indirectly by Borrower. All of the outstanding Equity Interests of each such Subsidiary has been validly issued and is fully paid and non-assessable.

(d) Except as set forth on Schedule 4.1(d), there are no subscriptions, options, warrants, or calls relating to any shares of Borrower's or its Subsidiaries' Equity Interests, including any right of conversion or exchange under any outstanding security or other instrument.

4.2. Due Authorization; No Conflict.

(a) As to each Loan Party, the execution, delivery, and performance by such Loan Party of the Loan Documents to which it is a party have been duly authorized by all necessary action on the part of such Loan Party.

(b) As to each Loan Party, the execution, delivery, and performance by such Loan Party of the Loan Documents to which it is a party do not and will not (i) violate any material provision of federal, state, or local law or regulation applicable to any Loan Party or its Subsidiaries, the Governing Documents of any Loan Party or its Subsidiaries, or any order, judgment, or decree of any court or other Governmental Authority binding on any Loan Party or its Subsidiaries (or with respect to any Immaterial Subsidiary, to Borrower's actual knowledge), (ii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material agreement of any Loan Party or its Subsidiaries where any such conflict, breach or default could individually or in the aggregate reasonably be expected to have a Material Adverse Effect, (iii) result in or require the creation or imposition of any Lien of any nature whatsoever upon any assets of any Loan Party, other than Permitted Liens, or (iv) require

any approval of any holder of Equity Interests of a Loan Party or any approval or consent of any Person under any material agreement of any Loan Party, other than consents or approvals that have been obtained and that are still in force and effect and except, in the case of material agreements, for consents or approvals, the failure to obtain could not individually or in the aggregate reasonably be expected to cause a Material Adverse Effect.

4.3. Governmental Consents. The execution, delivery, and performance by each Loan Party of the Loan Documents to which such Loan Party is a party and the consummation of the transactions contemplated by the Loan Documents do not and will not require any registration with, consent, or approval of, or notice to, or other action with or by, any Governmental Authority, other than (a) registrations, consents, approvals, notices, or other actions that have been obtained and that are still in force and effect, (b) filings and recordings with respect to the Collateral to be made, or otherwise delivered to Agent for filing or recordation, as of the Closing Date, and (c) Borrower's post-Closing Date notice filing of an 8-k statement with the SEC disclosing this Agreement and transactions contemplated hereby.

4.4. Binding Obligations; Perfected Liens.

(a) Each Loan Document has been duly executed and delivered by each Loan Party that is a party thereto and is the legally valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

(b) Agent's Liens are validly created, perfected (other than (i) in respect of motor vehicles that are subject to a certificate of title, (ii) money, (iii) letter-of-credit rights (other than supporting obligations, (iv) commercial tort claims (other than those that, by the terms of the Guaranty and Security Agreement, are required to be perfected), and (v) any Deposit Accounts and Securities Accounts not subject to a Control Agreement as permitted by Section 7(k)(iv) of the Guaranty and Security Agreement, and subject only to the filing of financing statements and the recordation of the Mortgages (the parties hereto acknowledge there are no Mortgages as of the Closing Date), in each case, in the appropriate filing offices), and first priority Liens, subject only to Permitted Liens which are non-consensual Permitted Liens, permitted purchase money Liens, or the interests of lessors under Capital Leases.

4.5. Title to Assets; No Encumbrances. Each of the Loan Parties and its Subsidiaries has (or with respect to Immaterial Subsidiaries, has to Borrower's knowledge) (a) good, sufficient and legal title to (in the case of fee interests in Real Property), (b) valid leasehold interests in (in the case of leasehold interests in real or personal property), and (c) good and marketable title to (in the case of all other personal property), all of their respective assets reflected in their most recent financial statements delivered pursuant to Section 5.1, in each case except for assets disposed of since the date of such financial statements to the extent permitted hereby. All of such assets are free and clear of Liens except for Permitted Liens.

4.6. Litigation.

(a) There are no actions, suits, or proceedings pending or, to the knowledge of Borrower, after due inquiry, threatened in writing against a Loan Party or any of its Subsidiaries that either individually or in the aggregate could reasonably be expected to result in a Material Adverse Effect.

(b) Schedule 4.6(b) sets forth a complete and accurate description, with respect to each of the actions, suits, or proceedings with asserted liabilities in excess of, or that could reasonably be expected to result in liabilities in excess of, $100,000 that, as of the Closing Date, is pending or, to the knowledge of Borrower, after reasonable due inquiry, threatened against a Loan Party or any of its Subsidiaries, of (i) the parties to such actions, suits, or proceedings, (ii) the nature of the dispute that is the subject of such actions, suits, or proceedings, (iii) the procedural status, as of the Closing Date, with respect to such actions, suits, or proceedings, and (iv) whether any liability of the Loan Parties' and their Subsidiaries in connection with such actions, suits, or proceedings is covered by insurance.

4.7. Compliance with Laws. No Loan Party nor any of its Subsidiaries (a) is in violation of any applicable laws, rules, regulations, executive orders, or codes (including Environmental Laws) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect, or (b) is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

4.8. No Material Adverse Effect. All historical financial statements relating to the Loan Parties and their Subsidiaries that have been delivered by Borrower to Agent have been prepared in accordance with GAAP (except, in the case of unaudited financial statements, for the lack of footnotes and being subject to year-end audit adjustments) and present fairly in all material respects, the Loan Parties' and their Subsidiaries' consolidated financial condition as of the date thereof and results of operations for the period then ended. Since December 31, 2012, no event, circumstance, or change has occurred that has or could reasonably be expected to result in a Material Adverse Effect with respect to the Loan Parties and their Subsidiaries.

4.9. Solvency.

(a) Each Loan Party is Solvent.

(b) No transfer of property is being made by any Loan Party and no obligation is being incurred by any Loan Party in connection with the transactions contemplated by this Agreement or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of such Loan Party.

4.10. Employee Benefits. No Loan Party nor any of their respective ERISA Affiliates maintains or contributes to any Benefit Plan. Except as could not reasonably be expected to have a Material Adverse Effect, (i) each Employee Benefit Plan complies with, and has been operated in accordance with, all applicable laws, including ERISA and the IRC, and the terms of such

Employee Benefit Plan, (ii) no Loan Party has any liability for a fine, penalty, damage, or excise tax with respect to an Employee Benefit Plan, (iii) no Loan Party has received notice from a Governmental Authority, plan administrator, or participant (or any participant's agent) that any such fine, penalty, damage or excise tax may be owing by such Loan Party and (iv) each Employee Benefit Plan intended to be qualified under Section 401 of the IRC is so qualified.

4.11. Environmental Condition. Except as set forth on Schedule 4.11, (a) to Borrower's actual knowledge, no Loan Party's nor any of its Subsidiaries' properties or assets has ever been used by a Loan Party, its Subsidiaries, or by previous owners or operators in the disposal of, or to produce, store, handle, treat, release, or transport, any Hazardous Materials, where such disposal, production, storage, handling, treatment, release or transport was in violation, in any material respect, of any applicable Environmental Law, (b) to Borrower's actual knowledge, after reasonable due inquiry, no Loan Party's nor any of its Subsidiaries' properties or assets has ever been designated or identified in any manner pursuant to any environmental protection statute as a Hazardous Materials disposal site, (c) no Loan Party nor any of its Subsidiaries (or with respect to Immaterial Subsidiaries, no such Subsidiary to Borrower's knowledge) has received notice that a Lien arising under any Environmental Law has attached to any revenues or to any Real Property owned or operated by a Loan Party or its Subsidiaries, and (d) no Loan Party nor any of its Subsidiaries nor any of their respective facilities or operations is subject to any outstanding written order, consent decree, or settlement agreement with any Person relating to any Environmental Law or Environmental Liability that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

4.12. Complete Disclosure. All factual information taken as a whole (other than forward-looking information and projections and information of a general economic nature and general information about Borrower's industry) furnished by or on behalf of a Loan Party or its Subsidiaries in writing to Agent or any Lender (including all information contained in the Schedules hereto or in the other Loan Documents) for purposes of or in connection with this Agreement or the other Loan Documents, and all other such factual information taken as a whole (other than forward-looking information and projections and information of a general economic nature and general information about Borrower's industry) hereafter furnished by or on behalf of a Loan Party or its Subsidiaries in writing to Agent or any Lender will be, true and accurate, in all material respects, on the date as of which such information is dated or certified and not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not misleading in any material respect at such time in light of the circumstances under which such information was provided. The Projections delivered to Agent on April 19, 2017 represent, and as of the date on which any other Projections are delivered to Agent, such additional Projections represent, Borrower's good faith estimate, on the date such Projections are delivered, of the Loan Parties' and their Subsidiaries' future performance for the periods covered thereby based upon assumptions believed by Borrower to be reasonable at the time of the delivery thereof to Agent (it being understood that such Projections are subject to significant uncertainties and contingencies, many of which are beyond the control of the Loan Parties and their Subsidiaries, and no assurances can be given that such Projections will be realized, and although reflecting Borrower's good faith estimate, projections or forecasts based on methods and assumptions which Borrower believed to be reasonable at the time such Projections were prepared, are not to be viewed as facts, and that actual results during the period or periods covered by the Projections may differ materially from projected or estimated results).

4.13. Patriot Act. To the extent applicable, each Loan Party and each of its Subsidiaries is in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001) (the "Patriot Act"). No part of the proceeds of the loans made hereunder will be used by any Loan Party or any of their Affiliates, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

4.14. Indebtedness. Set forth on Schedule 4.14 is a true and complete list of all Indebtedness of each Loan Party and each of its Subsidiaries outstanding immediately prior to the Closing Date that is to remain outstanding immediately after giving effect to the closing hereunder on the Closing Date and such Schedule accurately sets forth the aggregate principal amount of such Indebtedness as of the Closing Date.

4.15. Payment of Taxes. Except as otherwise permitted under Section 5.5, all Tax returns and reports of each Loan Party and its Subsidiaries required to be filed by any of them have been timely filed (or with respect to Immaterial Subsidiaries, have been timely filed to Borrower's knowledge), and all Taxes shown on such Tax returns to be due and payable and all assessments, fees and other governmental charges upon a Loan Party and its Subsidiaries and upon their respective assets, income, businesses and franchises that are due and payable have been paid when due and payable (or with respect to Immaterial Subsidiaries, have been paid when due and payable to Borrower's knowledge), except with respect to the federal Tax liabilities set forth in clause (e) of Schedule 3.6 not to exceed $120,000 in the aggregate. Each Loan Party and each of its Subsidiaries have made adequate provision in accordance with GAAP for all Taxes not yet due and payable. Borrower knows of no proposed Tax assessment against a Loan Party or any of its Subsidiaries that is not being actively contested by such Loan Party or such Subsidiary diligently, in good faith, and by appropriate proceedings; provided such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made or provided therefor.

4.16. Margin Stock. No Loan Party nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the loans made to Borrower will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock or for any purpose that violates the provisions of Regulation T, U or X of the Board of Governors.

4.17. Governmental Regulation. No Loan Party nor any of its Subsidiaries is subject to regulation under the Federal Power Act or the Investment Company Act of 1940 or under any other federal, state or foreign statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. No Loan Party nor any of its Subsidiaries is a "registered investment company" or a company

"controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

4.18. OFAC/Sanctions/AML. No Loan Party nor any of its Subsidiaries is in violation of any Sanctions. No Loan Party nor any of its Subsidiaries is in violation of any of the country or list based economic and trade sanctions administered and enforced by OFAC, the European Union or any of the governmental institutions and agencies of any European member states. No Loan Party nor any of its Subsidiaries (a) is a Sanctioned Person or a Sanctioned Entity, (b) has its assets located in Sanctioned Entities, (c) derives revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities or (d) has received notice of any material action, suit, proceeding or investigation against it with respect to Sanctions from any Sanctions Authority. No proceeds of any Loan made hereunder will be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity. Each Loan Party and each of its respective Subsidiaries conducts its businesses in compliance with applicable Anti-Corruption Laws and has instituted and maintained policies and procedures designed to promote and achieve compliance with applicable Anti-Corruption Laws. The operations of each Loan Party and each of its respective Subsidiaries are, and have been, conducted at all times in compliance with applicable Anti-Money Laundering Laws. No material litigation, regulatory or administrative proceedings of or before any court, tribunal or agency with respect to any Anti-Money Laundering Laws have been started or (to the best of its knowledge and belief) threatened against any Loan Party or any of its respective Subsidiaries.

4.19. Employee and Labor Matters. There is (i) no unfair labor practice complaint pending (to Borrower's actual knowledge with respect to Immaterial Subsidiaries) or, to the knowledge of Borrower, threatened against Borrower or its Subsidiaries before any Governmental Authority and no grievance or arbitration proceeding pending or threatened against Borrower or its Subsidiaries which arises out of or under any collective bargaining agreement and that could reasonably be expected to result in a material liability, (ii) no strike, labor dispute, slowdown, stoppage or similar action or grievance pending or threatened in writing against Borrower or its Subsidiaries that could reasonably be expected to result in a material liability, or (iii) to the knowledge of Borrower, after reasonable due inquiry, no union representation question existing with respect to the employees of Borrower or its Subsidiaries and no union organizing activity taking place with respect to any of the employees of Borrower or its Subsidiaries. None of Borrower or its Subsidiaries has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or similar state law, which remains unpaid or unsatisfied. The hours worked and payments made to employees of Borrower or its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable legal requirements, except to the extent such violations could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. All material payments due from Borrower or its Subsidiaries on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of Borrower, except where the failure to do so could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

4.20. Leases. Each Loan Party and its Subsidiaries (and with respect to Immaterial Subsidiaries, to Borrower's actual knowledge) enjoy peaceful and undisturbed possession under

all leases material to their business and to which they are parties or under which they are operating, and, subject to Permitted Protests, all of such material leases are valid and subsisting and no material default by the applicable Loan Party or its Subsidiaries exists under any of them.

4.21. Hedge Agreements. On each date that any Hedge Agreement is executed by any Hedge Provider, Borrower and each other Loan Party satisfy all eligibility, suitability and other requirements under the Commodity Exchange Act (7 U.S.C. § 1, et seq., as in effect from time to time) and the Commodity Futures Trading Commission regulations.

4.22. Immaterial Subsidiaries. No Immaterial Subsidiary (a) owns any intellectual property or other assets (other than assets of a de minimis nature), (b) has any liabilities (other than liabilities of a de minimis nature or as set forth in clause (e) of Schedule 3.6), or (c) engages in any business activity.

4.23. Other Documents.

(a) Borrowers have delivered to Agent a complete and correct copy of the Compass Purchase Agreement, including all schedules and exhibits thereto. The execution, delivery and performance of the Compass Purchase Agreement has been duly authorized by all necessary action on the part of the Loan Parties who are a party thereto. The Compass Purchase Agreement is the legal, valid and binding obligation of the Loan Parties who are parties thereto, enforceable against each such Loan Party in accordance with its terms, in each case, except as may be limited by equitable principles or by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting generally the enforcement of creditors' rights.

(b) As of the Closing Date, the Compass Acquisition contemplated under the Compass Purchase Agreement has been (or will be contemporaneously with the extension of credit hereunder on the Closing Date) consummated in all material respects, in accordance with all applicable laws. As of the Closing Date, all requisite approvals by Governmental Authorities having jurisdiction over the Loan Parties and, to each Loan Party's knowledge, the sellers, with respect to the Compass Acquisition contemplated under the Compass Purchase Agreement, have been obtained, except for any approval the failure to obtain would not reasonably be expected to have a Material Adverse Effect.

(c) Borrowers have delivered to Agent a complete and correct copy of the iSystems Purchase Agreement, including all schedules and exhibits thereto. The execution, delivery and performance of the iSystems Purchase Agreement has been duly authorized by all necessary action on the part of the Loan Parties who are a party thereto. The iSystems Purchase Agreement is the legal, valid and binding obligation of the Loan Parties who are parties thereto, enforceable against each such Loan Party in accordance with its terms, in each case, except as may be limited by equitable principles or by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting generally the enforcement of creditors' rights.

(d) As of the Closing Date, the iSystems Acquisition contemplated under the iSystems Purchase Agreement has been (or will be contemporaneously with the extension of

credit hereunder on the Closing Date) consummated in all material respects, in accordance with all applicable laws. As of the Closing Date, all requisite approvals by Governmental Authorities having jurisdiction over the Loan Parties and, to each Loan Party's knowledge, the sellers, with respect to the iSystems Acquisition contemplated under the iSystems Purchase Agreement, have been obtained, except for any approval the failure to obtain would not reasonably be expected to have a Material Adverse Effect.

4.24. Privacy and Information Security. Each Loan Party and its Subsidiaries have implemented a comprehensive written information security program that contains administrative, organizational, technical, and physical safeguards and is designed to (i) secure and protect the IT Assets consistent with industry best practices; (ii) ensure the security, confidentiality, integrity and availability of Personal Information and IT Assets; (iii) protect against any anticipated threats or hazards to the security, confidentiality, integrity and availability of Personal Information and IT Assets; and (iv) protect against any actual or suspected (x) loss or unauthorized processing, use, disclosure, modification or acquisition of or access to any Personal Information, and/or (y) compromise to the security, confidentiality, integrity or availability of IT Assets that materially interferes with and adversely affects a Loan Party's or its Subsidiaries' business operations (hereinafter "Information Security Incident"). Except as set forth in Schedule 4.24, (i) the Loan Parties and their Subsidiaries have not experienced an Information Security Incident; (ii) the Loan Parties and their Subsidiaries have not been notified of and are not the subject of any action, investigation, litigation or claim related to information security or privacy; and (iii) no Person (including any Governmental Authority) has made any claim or commenced any action or investigation against any Loan Party or its Subsidiaries with respect to any Information Security Incident. The Loan Parties and their Subsidiaries are, and have been at all times, (i) in compliance with all applicable Privacy Laws; and (ii) in compliance with all of the relevant Loan Party's and its Subsidiaries' policies regarding privacy and information security, including without limitation (x) all privacy policies and similar disclosures published on the Loan Party's and its Subsidiaries websites or mobile apps; and (y) any existing contractual commitment made by the Loan Party and its Subsidiaries with respect to Personal Information or the security of IT Assets.

5. AFFIRMATIVE COVENANTS.

Borrower covenants and agrees that, until termination of all of the Commitments and payment in full of the Obligations:

5.1. Financial Statements, Reports, Certificates. Borrower (a) will deliver to Agent, with copies to each Lender, each of the financial statements, reports, and other items set forth on Schedule 5.1 no later than the times specified therein, (b) agrees that no Subsidiary of a Loan Party will have a fiscal year different from that of Borrower, (c) agrees to maintain a system of accounting that enables Borrower to produce financial statements in accordance with GAAP, and (d) agrees that it will, and will cause each other Loan Party to, maintain its billing systems and practices substantially as in effect as of the Closing Date and shall only make material modifications thereto with notice to, and with the consent of, Agent; provided, Agent's consent shall not be required for Borrower to notify Account Debtors to make payment to a Controlled Account Bank pursuant to its obligations under Section 7(k)(i) of the Guaranty and Security Agreement.

5.2. Reporting. Borrower will deliver to Agent (and if so requested by Agent, with copies for each Lender) each of the reports set forth on Schedule 5.2 at the times specified therein.

5.3. Existence. Except as otherwise permitted or required under Section 6.3 Section 6.4, or Schedule 3.6, Borrower will, and will cause each of its Subsidiaries to, at all times preserve and keep in full force and effect such Person's valid existence and good standing in its jurisdiction of organization (except with respect to Immaterial Subsidiaries) and, except as could not reasonably be expected to result in a Material Adverse Effect, good standing with respect to all other jurisdictions in which it is qualified to do business and any rights, franchises, permits, licenses, accreditations, authorizations, or other approvals material to their businesses.

5.4. Maintenance of Properties. Borrower will, and will cause each of its Subsidiaries (except with respect to Immaterial Subsidiaries) to, maintain and preserve all of its assets that are necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear, tear, casualty, and condemnation and Permitted Dispositions excepted.

5.5. Taxes. Borrower will, and will cause each of its Subsidiaries to, pay in full before delinquency or before the expiration of any extension period all material governmental assessments and Taxes imposed, levied, or assessed against it, or any of its assets or in respect of any of its income, businesses, or franchises, except to the extent that the validity of such governmental assessment or Tax is the subject of a Permitted Protest.

5.6. Insurance. Borrower will, and will cause each of its Subsidiaries to (except with respect to Immaterial Subsidiaries), at Borrower's expense, (a) maintain insurance respecting each of Borrower's and its Subsidiaries' assets wherever located, covering liabilities, losses or damages as are customarily are insured against by other Persons engaged in same or similar businesses and similarly situated and located. All such policies of insurance shall be with financially sound and reputable insurance companies acceptable to Agent (it being agreed that, as of the Closing Date, Pacific Indemnity Company and Federal Insurance Company are acceptable to Agent) and in such amounts as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated and located and, in any event, in amount, adequacy, and scope reasonably satisfactory to Agent (it being agreed that the amount, adequacy, and scope of the policies of insurance of Borrower in effect as of the Closing Date are acceptable to Agent). All property insurance policies covering the Collateral are to be made payable to Agent for the benefit of Agent and the Lenders, as their interests may appear, in case of loss, pursuant to a standard loss payable endorsement with a standard non contributory "lender" or "secured party" clause and are to contain such other provisions as Agent may reasonably require to fully protect the Lenders' interest in the Collateral and to any payments to be made under such policies. All certificates of property and general liability insurance are to be delivered to Agent, with the loss payable (but only in respect of Collateral) and additional insured endorsements in favor of Agent and shall provide for not less than 30 days (10 days in the case of non-payment) prior written notice to Agent of the exercise of any right of cancellation. Borrower shall give Agent prompt notice of any loss exceeding $100,000 covered by its or its Subsidiaries' casualty or business interruption insurance. Upon the occurrence and during the continuance of an Event of Default, Agent shall have the sole right to file claims under any property and general liability insurance policies in respect of the Collateral, to receive, receipt and give acquittance for

any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies.

5.7. Inspection.

(a) Borrower will, and will cause each of its Subsidiaries (except with respect to Immaterial Subsidiaries) to, permit Agent, any Lender, and each of their respective duly authorized representatives or agents to visit any of its properties and inspect any of its assets or books and records, to examine and make copies of its books and records, and to discuss its affairs, finances, and accounts with, and to be advised as to the same by, its officers and employees (provided an authorized representative of Borrower shall be allowed to be present) at such reasonable times and intervals as Agent or any Lender, as applicable, may designate and, so long as no Default or Event of Default has occurred and is continuing, with reasonable prior notice to Borrower and during regular business hours.

(b) Borrower will, and will cause each of its Subsidiaries (except with respect to Immaterial Subsidiaries) to, permit Agent, any Lender and each of their respective duly authorized representatives or agents to conduct appraisals and valuations at such reasonable times and intervals as Agent may designate.

5.8. Compliance with Laws. Without limiting any of the other provisions hereof, Borrower will, and will cause each of its Subsidiaries to, comply with the requirements of all applicable laws, rules, regulations, and orders of any Governmental Authority, other than laws, rules, regulations, and orders the non-compliance with which, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

5.9. Environmental. Borrower will, and will cause each of its Subsidiaries (except with respect to Immaterial Subsidiaries) to,

(a) Keep any property either owned or operated by Borrower or its Subsidiaries free of any Environmental Liens or post bonds or other financial assurances sufficient to satisfy the obligations or liability evidenced by such Environmental Liens,

(b) Comply, in all material respects, with Environmental Laws and provide to Agent documentation of such compliance which Agent reasonably requests,

(c) Promptly notify Agent of any release of which Borrower has knowledge of a Hazardous Material in any reportable quantity from or onto property owned or operated by Borrower or its Subsidiaries and take any Remedial Actions required to abate said release or otherwise to come into compliance, in all material respects, with applicable Environmental Law, and

(d) Promptly, but in any event within 5 Business Days of its receipt thereof, provide Agent with written notice of any of the following: (i) notice that an Environmental Lien has been filed against any of the real or personal property of Borrower or its Subsidiaries (or to Borrower's actual knowledge with respect to Immaterial Subsidiaries), (ii) commencement of any Environmental Action or written notice that an Environmental Action will be filed against

Borrower or its Subsidiaries (or to Borrower's actual knowledge with respect to Immaterial Subsidiaries), and (iii) written notice of a violation, citation, or other administrative order from a Governmental Authority.

5.10. Disclosure Updates. Borrower will, promptly and in no event later than 5 Business Days after obtaining knowledge thereof, notify Agent if any written information, exhibit, or report furnished to Agent or the Lenders contained, at the time it was furnished, any untrue statement of a material fact or omitted to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances in which made. The foregoing to the contrary notwithstanding, any notification pursuant to the foregoing provision will not cure or remedy the effect of the prior untrue statement of a material fact or omission of any material fact nor shall any such notification have the effect of amending or modifying this Agreement or any of the Schedules hereto.

5.11. Formation of Subsidiaries. Borrower will, at the time that any Loan Party forms any direct or indirect Subsidiary or acquires any direct or indirect Subsidiary after the Closing Date, within 10 days of such formation or acquisition (or such later date as permitted by Agent in its sole discretion) (a) cause such new Subsidiary to provide to Agent a joinder to the Guaranty and Security Agreement, together with such other security agreements (including mortgages with respect to any Real Property owned in fee of such new Subsidiary with a fair market value greater than $250,000), as well as appropriate financing statements (and with respect to all property subject to a mortgage, fixture filings), all in form and substance reasonably satisfactory to Agent (including being sufficient to grant Agent a first priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Subsidiary); provided, that the joinder to the Guaranty and Security Agreement, and such other security agreements shall not be required to be provided to Agent with respect to any Subsidiary of Borrower that is a CFC if providing such agreements would result in material adverse Tax consequences or the costs to the Loan Parties of providing such guaranty or such security agreements are unreasonably excessive (as determined by Agent in consultation with Borrower) in relation to the benefits to Agent and the Lenders of the security or guarantee afforded thereby, (b) provide, or cause the applicable Loan Party to provide, to Agent a pledge agreement (or an addendum to the Guaranty and Security Agreement) and appropriate certificates and powers or financing statements, pledging all of the direct or beneficial ownership interest in such new Subsidiary in form and substance reasonably satisfactory to Agent; provided, that only 65% of the total outstanding voting Equity Interests of any first tier Subsidiary of Borrower that is a CFC (and none of the Equity Interests of any Subsidiary of such CFC) shall be required to be pledged if pledging a greater amount would result in material adverse Tax consequences or the costs to the Loan Parties of providing such pledge are unreasonably excessive (as determined by Agent in consultation with Borrower) in relation to the benefits to Agent and the Lenders of the security afforded thereby (which pledge, if reasonably requested by Agent, shall be governed by the laws of the jurisdiction of such Subsidiary), and (c) provide to Agent all other documentation, including one or more opinions of counsel reasonably satisfactory to Agent, which, in its opinion, is appropriate with respect to the execution and delivery of the applicable documentation referred to above (including policies of title insurance or other documentation with respect to all Real Property owned in fee and subject to a mortgage). Any document, agreement, or instrument executed or issued pursuant to this Section 5.11 shall constitute a Loan Document.

5.12. Further Assurances. Borrower will, and will cause each of the other Loan Parties to, at any time upon the reasonable request of Agent, execute or deliver to Agent any and all financing statements, fixture filings, security agreements, pledges, assignments, mortgages, deeds of trust, opinions of counsel, and all other documents (the "Additional Documents") that Agent may reasonably request in form and substance reasonably satisfactory to Agent, to create, perfect, and continue perfected or to better perfect Agent's Liens in all of the assets of Borrower and its Subsidiaries (whether now owned or hereafter arising or acquired, tangible or intangible, real or personal), to create and perfect Liens in favor of Agent in any Real Property acquired by Borrower or any other Loan Party with a fair market value in excess of $250,000, and in order to fully consummate all of the transactions contemplated hereby and under the other Loan Documents; provided that the foregoing shall not apply to any Subsidiary of Borrower that is a CFC if providing such documents would result in material adverse Tax consequences or the costs to the Loan Parties of providing such documents are unreasonably excessive (as determined by Agent in consultation with Borrower) in relation to the benefits to Agent and the Lenders of the security afforded thereby. To the maximum extent permitted by applicable law, if Borrower or any other Loan Party refuses or fails to execute or deliver any reasonably requested Additional Documents within a reasonable period of time following the request to do so, Borrower and each other Loan Party hereby authorizes Agent to execute any such Additional Documents in the applicable Loan Party's name and authorizes Agent to file such executed Additional Documents in any appropriate filing office. In furtherance of, and not in limitation of, the foregoing, each Loan Party shall take such actions as Agent may reasonably request from time to time to ensure that the Obligations are guaranteed by the Guarantors and are secured by substantially all of the assets of Borrower and its Subsidiaries, including all of the outstanding capital Equity Interests of Borrower's Subsidiaries (subject to exceptions and limitations contained in the Loan Documents with respect to CFCs and Immaterial Subsidiaries).

5.13. Lender Meetings. Borrower will, within 90 days after the close of each fiscal year of Borrower, at the request of Agent or of the Required Lenders and upon reasonable prior notice, hold a meeting (at a mutually agreeable location and time or, at the option of Agent, by conference call) with all Lenders who choose to attend such meeting at which meeting shall be reviewed the financial results of the previous fiscal year and the financial condition of Borrower and its Subsidiaries and the projections presented for the current fiscal year of Borrower.

5.14. Bank Products. After establishing such relationships in accordance with Schedule 3.6, the Loan Parties shall maintain their primary depository and treasury management relationships with Wells Fargo or one or more of its Affiliates at all times during the term of the Agreement.

5.15. Hedge Agreements. Borrower agrees that it shall offer to Wells Fargo or one or more of its Affiliates the first opportunity to bid for all Hedge Agreements to be entered into by any Loan Party or any of its Subsidiaries during the term of the Agreement.

5.16. Anti-Corruption Laws/Sanctions. Each Loan Party will and will cause each of its Subsidiaries to (a) conduct its business in compliance with applicable Anti-Corruption Laws and (b) maintain policies and procedures designed to promote and achieve compliance with applicable Anti-Corruption Laws.

5.17. Information Security Requirements; Personal Information. Each Loan Party shall and shall cause its Subsidiaries to comply, in all material respects, with all Privacy Laws currently in effect and as they become effective relating in any way to Personal Information or IT Assets. Each Loan Party and its Subsidiaries will maintain and comply with a comprehensive written information security program that contains administrative, organizational, technical, and physical safeguards and is designed to (i) secure and protect the IT Assets consistent with industry best practices; (ii) ensure the security, confidentiality, integrity and availability of Personal Information and IT Assets; (iii) protect against any anticipated threats or hazards to the security, confidentiality, integrity and availability of Personal Information and IT Assets; and (iv) protect against any Information Security Incident. Each Loan Party and its Subsidiaries will notify Administrative Agent Lenders promptly (and in any event within 1 Business Day) upon the occurrence of any of the following): (i) an Information Security Incident; (ii) any action, investigation, litigation or claim made against any Loan Party or its Subsidiaries related to information security or privacy; or (iii) any action or investigation commenced, or any claim made, by any Person (including any Governmental Authority) with respect to any Information Security Incident.

6. NEGATIVE COVENANTS.

Borrower covenants and agrees that, until termination of all of the Commitments and payment in full of the Obligations:

6.1. Indebtedness. Borrower will not, and will not permit any of its Subsidiaries to create, incur, assume, suffer to exist, guarantee, or otherwise become or remain, directly or indirectly, liable with respect to any Indebtedness, except for Permitted Indebtedness.

6.2. Liens. Borrower will not, and will not permit any of its Subsidiaries to create, incur, assume, or suffer to exist, directly or indirectly, any Lien on or with respect to any of its assets, of any kind, whether now owned or hereafter acquired, or any income or profits therefrom, except for Permitted Liens.

6.3. Restrictions on Fundamental Changes. Borrower will not, and will not permit any of its Subsidiaries to,

(a) Other than in order to consummate a Permitted Acquisition, enter into any merger, consolidation, reorganization, or recapitalization, or reclassify its Equity Interests, except for (i) any merger between Loan Parties, provided, that Borrower must be the surviving entity of any such merger to which it is a party, (ii) any merger between a Loan Party and a Subsidiary of such Loan Party that is not a Loan Party so long as such Loan Party is the surviving entity of any such merger, and (iii) any merger between Subsidiaries of Borrower that are not Loan Parties,

(b) liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), except for (i) the liquidation or dissolution of Immaterial Subsidiaries, (ii) the liquidation or dissolution of a Loan Party (other than Borrower) or any of its wholly-owned Subsidiaries so long as all of the assets (including any interest in any Equity Interests) of such liquidating or dissolving Loan Party or Subsidiary are transferred to a Loan Party that is not

liquidating or dissolving, or (iii) the liquidation or dissolution of a Subsidiary of Borrower that is not a Loan Party (other than any such Subsidiary the Equity Interests of which (or any portion thereof) is subject to a Lien in favor of Agent) so long as all of the assets of such liquidating or dissolving Subsidiary are transferred to a Subsidiary of Borrower that is not liquidating or dissolving, or

(c) suspend or cease operating a substantial portion of its or their business, except as permitted pursuant to clauses (a) or (b) above or in connection with a transaction permitted under Section 6.4.

6.4. Disposal of Assets. Other than Permitted Dispositions or transactions expressly permitted by Sections 6.3 or 6.9, Borrower will not, and will not permit any of its Subsidiaries to convey, sell, lease, license, assign, transfer, or otherwise dispose of (or enter into an agreement to convey, sell, lease, license, assign, transfer, or otherwise dispose of) any of its or their assets.

6.5. Nature of Business. Borrower will not, and will not permit any of its Subsidiaries to make any change in the nature of its or their business as described in Schedule 6.5 or acquire any properties or assets that are not reasonably related to the conduct of such business activities; provided, that the foregoing shall not prevent Borrower and its Subsidiaries from engaging in any business that is reasonably related or ancillary to its or their business.

6.6. Prepayments and Amendments. Borrower will not, and will not permit any of its Subsidiaries to,

(a) Except in connection with Refinancing Indebtedness permitted by Section 6.1,

(i) optionally prepay, redeem, defease, purchase, or otherwise acquire any Indebtedness of Borrower or its Subsidiaries, other than (A) the Obligations in accordance with this Agreement, (B) Permitted Intercompany Advances, or (C) (1) that certain CPI Subordinated Promissory Note, (2) that certain PMSI Subordinated Promissory Note, (3) that certain PSNW Subordinated Promissory Note, (4) that certain iSystems Subordinated Promissory Note and (5) that certain Compass Subordinated Promissory Note (so long as, in each case under this clause (C), such payment is permitted by the applicable subordination agreement or provisions with respect to such promissory note),

(ii) make any payment on account of Indebtedness that has been contractually subordinated in right of payment to the Obligations if such payment is not permitted at such time under the subordination terms and conditions, or

(b) Directly or indirectly, amend, modify, or change any of the terms or provisions of:

(i) any agreement, instrument, document, indenture, or other writing evidencing or concerning Permitted Indebtedness other than (A) the Obligations in accordance with this Agreement, (B) Permitted Intercompany Advances, and

(C) Indebtedness permitted under clauses (c), (h), (j) and (k) of the definition of Permitted Indebtedness, or

(ii) the Governing Documents of any Loan Party or any of its Subsidiaries if the effect thereof, either individually or in the aggregate, could reasonably be expected to be materially adverse to the interests of the Lenders.

6.7. Restricted Payments. Borrower will not, and will not permit any of its Subsidiaries to make any Restricted Payment; provided, that, so long as it is permitted by law, and so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom,

(a) Borrower may make distributions to former employees, officers, or directors of Borrower (or any spouses, ex-spouses, or estates of any of the foregoing) on account of redemptions of Equity Interests of Borrower held by such Persons, provided, that the aggregate amount of such redemptions made by Borrower during the term of this Agreement plus the amount of Indebtedness outstanding under clause (l) of the definition of Permitted Indebtedness, does not exceed $500,000 in the aggregate, and

(b) Borrower may make distributions to former employees, officers, or directors of Borrower (or any spouses, ex-spouses, or estates of any of the foregoing), solely in the form of forgiveness of Indebtedness of such Persons owing to Borrower on account of repurchases of the Equity Interests of Borrower held by such Persons; provided that such Indebtedness was incurred by such Persons solely to acquire Equity Interests of Borrower.

6.8. Accounting Methods. Borrower will not, and will not permit any of its Subsidiaries to modify or change its fiscal year or its method of accounting (other than as may be required to conform to GAAP).

6.9. Investments. Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, make or acquire any Investment or incur any liabilities (including contingent obligations) for or in connection with any Investment except for Permitted Investments.

6.10. Transactions with Affiliates. Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction with any Affiliate of Borrower or any of its Subsidiaries except for:

(a) transactions (other than the payment of management, consulting, monitoring, or advisory fees) between Borrower or its Subsidiaries, on the one hand, and any Affiliate of Borrower or its Subsidiaries, on the other hand, so long as such transactions (i) are fully disclosed to Agent prior to the consummation thereof, if they involve one or more payments by Borrower or its Subsidiaries in excess of $100,000 for any single transaction or series of related transactions, and (ii) are no less favorable, taken as a whole, to Borrower or its Subsidiaries, as applicable, than would be obtained in an arm's length transaction with a non-Affiliate,

(b) so long as it has been approved by Borrower's or its applicable Subsidiary's board of directors (or comparable governing body) in accordance with applicable law, any indemnity provided for the benefit of directors (or comparable managers) of Borrower or its applicable Subsidiary,

(c) so long as it has been approved by Borrower's or its applicable Subsidiary's board of directors (or comparable governing body) in accordance with applicable law, the payment of reasonable compensation, severance, or employee benefit arrangements to employees, officers, and outside directors of Borrower and its Subsidiaries in the ordinary course of business and consistent with industry practice, and

(d) transactions permitted by Section 6.3 or Section 6.7, or any Permitted Intercompany Advance.

6.11. Use of Proceeds. Borrower will not, and will not permit any of its Subsidiaries to use the proceeds of any loan made hereunder for any purpose other than (a) on the Closing Date, to pay the fees, costs, and expenses incurred in connection with this Agreement, the other Loan Documents, and the transactions contemplated hereby and thereby, in each case, as set forth in the Disbursement Agreement, and (b) thereafter, consistent with the terms and conditions hereof, for their lawful and permitted purposes (including that no part of the proceeds of the loans made to Borrower will be used to purchase or carry any such Margin Stock or to extend credit to others for the purpose of purchasing or carrying any such Margin Stock or for any purpose that violates the provisions of Regulation T, U or X of the Board of Governors).

6.12. Limitation on Issuance of Equity Interests. Except for the issuance or sale of Qualified Equity Interests by Borrower, Borrower will not, and will not permit any of its Subsidiaries to issue or sell or enter into any agreement or arrangement for the issuance or sale of any of its Equity Interests.

6.13. Immaterial Subsidiaries. Borrower will not permit any Immaterial Subsidiary to (a) own any intellectual property or other assets (other than assets of a *de minimis* nature), (b) have any liabilities (other than liabilities of a *de minimis* nature or as set forth in clause (e) of Schedule 3.6), or (c) engage in any business activity.

6.14. Anti-Corruption Laws/Sanctions. No Loan Party shall (and each Loan Party shall ensure that none of its Subsidiaries will) (a) directly or, to its knowledge, indirectly use the proceeds of the credit facilities contemplated hereunder for any purpose which would breach any Anti-Corruption Law or (b) use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds of the facilities contemplated hereunder to fund or finance any business activities or transactions (i) of or with a Sanctioned Person or Sanctioned Entity or (ii) in any other manner which would result in any Loan Party (or any of its Subsidiaries) or any member of the Lender Group being in breach of any Sanctions or becoming a Sanctioned Person or Sanctioned Entity.

7. FINANCIAL COVENANTS.

Borrower covenants and agrees that, until termination of all of the Commitments and payment in full of the Obligations, Borrower will:

(a) Fixed Charge Coverage Ratio. Have a Fixed Charge Coverage Ratio, measured on a quarter-end basis, of not less than the applicable ratio set forth in the following table for the applicable date set forth opposite thereto:

Applicable Ratio	Applicable Date(s)
1.35:1.00	June 30, 2017 and September 30, 2017
1.45:1.00	December 31, 2017
1.50:1.00	March 31, 2018 and each quarter-end thereafter

(b) **Leverage Ratio**. Have a Leverage Ratio, measured on a quarter-end basis, of not greater than the applicable ratio set forth in the following table for the applicable date set forth opposite thereto:

Applicable Ratio	Applicable Date(s)
5.75:1.00	June 30, 2017
5.75:1.00	September 30, 2017
5.65:1.00	December 31, 2017
5.50:1.00	March 31, 2018
5.00:1.00	June 30, 2018
4.70:1.00	September 30, 2018
4.55:1.00	December 31, 2018
4.35:1.00	March 31, 2019
3.85:1.00	June 30, 2019
3.70:1.00	September 30, 2019
3.55:1.00	December 31, 2019
3.50:1.00	March 31, 2020
3.25:1.00	June 30, 2020 and each quarter-end thereafter

(c) **Recurring Revenue**. Have TTM Recurring Revenue, measured on a quarter-end basis, of at least the amount set forth in the following table for the applicable date set forth opposite thereto:

TTM Recurring Revenue		Applicable Date(s)
$	41,000,000	June 30, 2017
$	41,000,000	September 30, 2017
$	42,000,000	December 31, 2017
$	42,000,000	March 31, 2018
$	42,000,000	June 30, 2018
$	42,000,000	September 30, 2018
$	42,500,000	December 31, 2018
$	43,500,000	March 31, 2019
$	45,000,000	June 30, 2019
$	46,000,000	September 30, 2019
$	47,500,000	December 31, 2019
$	48,500,000	March 31, 2020
$	50,000,000	June 30, 2020
$	51,000,000	September 30, 2020
$	52,500,000	December 31, 2020
$	53,500,000	March 31, 2021
$	55,000,000	June 30, 2021

TTM Recurring Revenue		Applicable Date(s)
$	56,500,000	September 30, 2021
$	57,500,000	December 31, 2021
$	59,000,000	March 31, 2022
$	60,500,000	June 30, 2022 and each quarter-end thereafter

8. EVENTS OF DEFAULT.

Any one or more of the following events shall constitute an event of default (each, an "Event of Default") under this Agreement:

8.1. Payments. If Borrower fails to pay when due and payable, or when declared due and payable, (a) all or any portion of the Obligations consisting of interest, fees, or charges due the Lender Group, reimbursement of Lender Group Expenses, or other amounts (other than any portion thereof constituting principal) constituting Obligations (including any portion thereof that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), and such failure continues for a period of 3 Business Days, (b) all or any portion of the principal of the Loans, or (c) any amount payable to Issuing Bank in reimbursement of any drawing under a Letter of Credit;

8.2. Covenants. If any Loan Party or any of its Subsidiaries:

(a) fails to perform or observe any covenant or other agreement contained in any of (i) Sections 3.6, 5.1, 5.2, 5.3 (solely if Borrower is not in good standing in its jurisdiction of organization), 5.6, 5.7 (solely if Borrower refuses to allow Agent or its representatives or agents to visit Borrower's properties, inspect its assets or books or records, examine and make copies of its books and records, or discuss Borrower's affairs, finances, and accounts with officers and employees of Borrower), 5.10, 5.11, 5.13, or 5.14 of this Agreement, (ii) Section 6 of this Agreement, (iii) Section 7 of this Agreement, or (iv) Section 7 of the Guaranty and Security Agreement;

(b) fails to perform or observe any covenant or other agreement contained in any of Sections 5.3 (other than if Borrower is not in good standing in its jurisdiction of organization), 5.4, 5.5, 5.8, and 5.12 of this Agreement and such failure continues for a period of 15 days after the earlier of (i) the date on which such failure shall first become known to any officer of Borrower or (ii) the date on which written notice thereof is given to Borrower by Agent; or

(c) fails to perform or observe any covenant or other agreement contained in this Agreement, or in any of the other Loan Documents, in each case, other than any such covenant or agreement that is the subject of another provision of this Section 8 (in which event such other provision of this Section 8 shall govern), and such failure continues for a period of 30 days after the earlier of (i) the date on which such failure shall first become known to any officer of Borrower or (ii) the date on which written notice thereof is given to Borrower by Agent;

8.3. Judgments. If one or more judgments, orders, or awards for the payment of money involving an aggregate amount of $250,000, or more (except to the extent fully covered (other than to the extent of customary deductibles) by insurance pursuant to which the insurer has not denied coverage) is entered or filed against a Loan Party or any of its Subsidiaries, or with respect to any of their respective assets, and either (a) there is a period of 30 consecutive days at any time after the entry of any such judgment, order, or award during which (1) the same is not discharged, satisfied, vacated, or bonded pending appeal, or (2) a stay of enforcement thereof is not in effect, or (b) enforcement proceedings are commenced upon such judgment, order, or award;

8.4. Voluntary Bankruptcy, etc. If an Insolvency Proceeding is commenced by a Loan Party or any of its Subsidiaries;

8.5. Involuntary Bankruptcy, etc. If an Insolvency Proceeding is commenced against a Loan Party or any of its Subsidiaries and any of the following events occur: (a) such Loan Party or such Subsidiary consents to the institution of such Insolvency Proceeding against it, (b) the petition commencing the Insolvency Proceeding is not timely controverted, (c) the petition commencing the Insolvency Proceeding is not dismissed within 60 calendar days of the date of the filing thereof, (d) an interim trustee is appointed to take possession of all or any substantial portion of the properties or assets of, or to operate all or any substantial portion of the business of, such Loan Party or its Subsidiary, or (e) an order for relief shall have been issued or entered therein;

8.6. Default Under Other Agreements. If there is (a) a default beyond any applicable grace period in one or more agreements to which a Loan Party or any of its Subsidiaries is a party with one or more third Persons relative to a Loan Party's or any of its Subsidiaries' Indebtedness involving an aggregate amount of $250,000 or more, and such default (i) occurs at the final maturity of the obligations thereunder, or (ii) results in a right by such third Person, irrespective of whether exercised, to accelerate the maturity of such Loan Party's or its Subsidiary's obligations thereunder, or (b) a default in (beyond any applicable grace period) or an involuntary early termination of one or more Hedge Agreements to which a Loan Party or any of its Subsidiaries is a party;

8.7. Representations, etc. If any warranty, representation, certificate, statement, or Record made herein or in any other Loan Document or delivered in writing to Agent or any Lender in connection with this Agreement or any other Loan Document proves to be untrue in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of the date of issuance or making or deemed making thereof;

8.8. Guaranty. If the obligation of any Guarantor under the guaranty contained in the Guaranty and Security Agreement is limited or terminated by operation of law or by such Guarantor (other than in accordance with the terms of this Agreement);

8.9. Security Documents. If the Guaranty and Security Agreement or any other Loan Document that purports to create a Lien, shall, for any reason, fail or cease to create a valid and perfected and, except to the extent of Permitted Liens which are non-consensual Permitted Liens, permitted purchase money Liens or the interests of lessors under Capital Leases, first priority Lien on the Collateral covered thereby, except (a) as a result of a disposition of the applicable Collateral in a transaction permitted under this Agreement, or (b) as the result of an action or failure to act on the part of Agent;

8.10. Loan Documents. The validity or enforceability of any Loan Document shall at any time for any reason (other than solely as the result of an action or failure to act on the part of Agent) be declared to be null and void, or a proceeding shall be commenced by a Loan Party or its Subsidiaries, or by any Governmental Authority having jurisdiction over a Loan Party or its Subsidiaries, seeking to establish the invalidity or unenforceability thereof, or a Loan Party or its Subsidiaries shall deny that such Loan Party or its Subsidiaries has any liability or obligation purported to be created under any Loan Document; or

8.11. Change of Control. A Change of Control shall occur, whether directly or indirectly.

9. RIGHTS AND REMEDIES.

9.1. Rights and Remedies. Upon the occurrence and during the continuation of an Event of Default, Agent may, and, at the instruction of the Required Lenders, shall (in each case under clauses (a) or (b) by written notice to Borrower), in addition to any other rights or remedies provided for hereunder or under any other Loan Document or by applicable law, do any one or more of the following:

(a) (i) declare the principal of, and any and all accrued and unpaid interest and fees in respect of, the Loans and all other Obligations (other than the Bank Product Obligations), whether evidenced by this Agreement or by any of the other Loan Documents to be immediately due and payable, whereupon the same shall become and be immediately due and payable and Borrower shall be obligated to repay all of such Obligations in full, without presentment, demand, protest, or further notice or other requirements of any kind, all of which are hereby expressly waived by Borrower, and (ii) direct Borrower to provide (and Borrower agrees that upon receipt of such notice it will provide) Letter of Credit Collateralization to Agent to be held as security for Borrower's reimbursement obligations for drawings that may subsequently occur under issued and outstanding Letters of Credit;

(b) declare the Commitments terminated, whereupon the Commitments shall immediately be terminated together with (i) any obligation of any Revolving Lender to make Revolving Loans, (ii) the obligation of the Swing Lender to make Swing Loans, and (iii) the obligation of Issuing Bank to issue Letters of Credit; and

(c) exercise all other rights and remedies available to Agent or the Lenders under the Loan Documents, under applicable law, or in equity.

The foregoing to the contrary notwithstanding, upon the occurrence of any Event of Default described in Section 8.4 or Section 8.5, in addition to the remedies set forth above, without any notice to Borrower or any other Person or any act by the Lender Group, the Commitments shall automatically terminate and the Obligations (other than the Bank Product Obligations), inclusive of the principal of, and any and all accrued and unpaid interest and fees in respect of, the Loans and all other Obligations (other than the Bank Product Obligations), whether evidenced by this Agreement or by any of the other Loan Documents, shall automatically become and be immediately due and payable and Borrower shall automatically be obligated to repay all of such Obligations in full (including Borrower being obligated to provide (and Borrower agrees that it will provide) (1) Letter of Credit Collateralization to Agent to be held as security for Borrower's reimbursement obligations in respect of drawings that may subsequently occur under issued and outstanding Letters of Credit, and (2) Bank Product Collateralization to be held as security for Borrower's or its Subsidiaries' obligations in respect of outstanding Bank Products), without presentment, demand, protest, or notice or other requirements of any kind, are all expressly waived by Borrower.

9.2. Remedies Cumulative. The rights and remedies of the Lender Group under this Agreement, the other Loan Documents, and all other agreements shall be cumulative. The Lender Group shall have all other rights and remedies not inconsistent herewith as provided under the Code, by law, or in equity. No exercise by the Lender Group of one right or remedy shall be deemed an election, and no waiver by the Lender Group of any Event of Default shall be deemed a continuing waiver. No delay by the Lender Group shall constitute a waiver, election, or acquiescence by it.

10. WAIVERS; INDEMNIFICATION.

10.1. Demand; Protest; etc. Borrower waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, nonpayment at maturity, release, compromise, settlement, extension, or renewal of documents, instruments, chattel paper, and guarantees at any time held by the Lender Group on which Borrower may in any way be liable.

10.2. The Lender Group's Liability for Collateral. Borrower hereby agrees that: (a) so long as Agent complies with its obligations, if any, under the Code, the Lender Group shall not in any way or manner be liable or responsible for: (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other Person, and (b) all risk of loss, damage, or destruction of the Collateral shall be borne by Borrower.

10.3. Indemnification. Borrower shall pay, indemnify, defend, and hold the Agent-Related Persons, the Lender-Related Persons, and each Participant (each, an "Indemnified Person") harmless (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and damages, and all reasonable fees and disbursements of attorneys, experts, or consultants and all

other costs and expenses actually incurred in connection therewith or in connection with the enforcement of this indemnification (as and when they are incurred and irrespective of whether suit is brought), at any time asserted against, imposed upon, or incurred by any of them (a) in connection with or as a result of or related to the execution and delivery (provided that Borrower shall not be liable for costs and expenses (including attorneys' fees) of any Lender (other than an Initial Lender) incurred in advising, structuring, drafting, reviewing, administering or syndicating the Loan Documents), enforcement, performance, or administration (including any restructuring or workout with respect hereto) of this Agreement, any of the other Loan Documents, or the transactions contemplated hereby or thereby or the monitoring of Borrower's and its Subsidiaries' compliance with the terms of the Loan Documents (provided, that the indemnification in this clause (a) shall not extend to (i) disputes solely between or among the Lenders that do not involve any acts or omissions of any Loan Party, or (ii) disputes solely between or among the Lenders and their respective Affiliates that do not involve any acts or omissions of any Loan Party; it being understood and agreed that the indemnification in this clause (a) shall extend to Agent and Initial Lenders (but not the Lenders other than the Initial Lenders) relative to disputes between or among Agent on the one hand, and one or more Lenders, or one or more of their Affiliates, on the other hand, or (iii) any claim primarily related to Taxes or any costs attributable to Taxes, which shall be governed by Section 16), (b) with respect to any actual or prospective investigation, litigation, or proceeding related to this Agreement, any other Loan Document, the making of any Loans or issuance of any Letters of Credit hereunder, or the use of the proceeds of the Loans or the Letters of Credit provided hereunder (irrespective of whether any Indemnified Person is a party thereto), or any act, omission, event, or circumstance in any manner related thereto, and (c) in connection with or arising out of any presence or release of Hazardous Materials at, on, under, to or from any assets or properties owned, leased or operated by Borrower or any of its Subsidiaries or any Environmental Actions, Environmental Liabilities or Remedial Actions related in any way to any such assets or properties of Borrower or any of its Subsidiaries (each and all of the foregoing, the "Indemnified Liabilities"). The foregoing to the contrary notwithstanding, Borrower shall have no obligation to any Indemnified Person under this Section 10.3 with respect to any Indemnified Liability that a court of competent jurisdiction finally determines to have resulted from the gross negligence or willful misconduct of such Indemnified Person or its officers, directors, employees, attorneys, or agents. This provision shall survive the termination of this Agreement and the repayment in full of the Obligations. If any Indemnified Person makes any payment to any other Indemnified Person with respect to an Indemnified Liability as to which Borrower was required to indemnify the Indemnified Person receiving such payment, the Indemnified Person making such payment is entitled to be indemnified and reimbursed by Borrower with respect thereto. **WITHOUT LIMITATION, THE FOREGOING INDEMNITY SHALL APPLY TO EACH INDEMNIFIED PERSON WITH RESPECT TO INDEMNIFIED LIABILITIES WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF ANY NEGLIGENT ACT OR OMISSION OF SUCH INDEMNIFIED PERSON OR OF ANY OTHER PERSON.**

11. NOTICES.

Unless otherwise provided in this Agreement, all notices, demands or requests for consent relating to this Agreement or any other Loan Document shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by registered or certified mail

(postage prepaid, return receipt requested), overnight courier, electronic mail (at such email addresses as a party may designate in accordance herewith), or telefacsimile. In the case of notices, demands or requests for consent to Borrower or Agent, as the case may be, they shall be sent to the respective address set forth below:

ASURE SOFTWARE, INC.
100 Wild Basin Road, Suite 100
Austin, TX 78746
Attn: Brad Wolfe
Fax No.: (512) 437-2365

with copies to:

MESSERLI & KRAMER
1400 Fifth Street Towers
100 South Fifth Street
Minneapolis, MN 55402
Attn: David L. Weigman, Esq. and
Brett A. Perry, Esq.
Fax No.: (612) 672-3777

If to Agent:

WELLS FARGO BANK, NATIONAL ASSOCIATION
2450 Colorado Avenue, Suite 3000 West
Santa Monica, CA 90404
Attn: Technology Finance Manager
Fax No.: (310) 453-7413

with copies to:

GOLDBERG KOHN LTD.
55 East Monroe Street, Suite 3300
Chicago, Illinois 60603
Attn: William A. Starshak, Esq.
Fax No.: (312) 863-7426

Any party hereto may change the address at which they are to receive notices, demands or requests for consent hereunder, by notice in writing in the foregoing manner given to the other party. All notices, demands or requests for consent sent in accordance with this Section 11, shall be deemed received on the earlier of the date of actual receipt or 3 Business Days after the deposit thereof in the mail; provided, that (a) notices, demands or requests for consent sent by overnight courier service shall be deemed to have been given when received, (b) notices by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business

on the next Business Day for the recipient) and (c) notices, demands or requests for consent by electronic mail shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgment).

12. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL REFERENCE PROVISION.

(a) THE VALIDITY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT IN RESPECT OF SUCH OTHER LOAN DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; PROVIDED, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. BORROWER AND EACH MEMBER OF THE LENDER GROUP WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 12(b).

(c) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AND EACH MEMBER OF THE LENDER GROUP HEREBY WAIVE THEIR RESPECTIVE RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). BORROWER AND EACH MEMBER OF THE LENDER GROUP REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(d) BORROWER HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF LOS ANGELES AND THE STATE OF CALIFORNIA, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(e) NO CLAIM MAY BE MADE BY ANY LOAN PARTY AGAINST THE AGENT, THE SWING LENDER, ANY OTHER LENDER, ISSUING BANK, OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, REPRESENTATIVE, AGENT, OR ATTORNEY-IN-FACT OF ANY OF THEM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OR LOSSES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION THEREWITH, AND EACH LOAN PARTY HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

(f) IN THE EVENT ANY LEGAL PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA (THE "COURT") BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY CLAIM AND THE WAIVER SET FORTH IN CLAUSE (C) ABOVE IS NOT ENFORCEABLE IN SUCH PROCEEDING, THE PARTIES HERETO AGREE AS FOLLOWS:

(i) WITH THE EXCEPTION OF THE MATTERS SPECIFIED IN SUBCLAUSE (ii) BELOW, ANY CLAIM SHALL BE DETERMINED BY A GENERAL REFERENCE PROCEEDING IN ACCORDANCE WITH THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 THROUGH 645.1. THE PARTIES INTEND THIS GENERAL REFERENCE AGREEMENT TO BE SPECIFICALLY ENFORCEABLE. VENUE FOR THE REFERENCE PROCEEDING SHALL BE IN THE COUNTY OF LOS ANGELES, CALIFORNIA.

(ii) THE FOLLOWING MATTERS SHALL NOT BE SUBJECT TO A GENERAL REFERENCE PROCEEDING: (A) NON-JUDICIAL FORECLOSURE OF ANY SECURITY INTERESTS IN REAL OR PERSONAL PROPERTY, (B) EXERCISE OF SELF-HELP REMEDIES (INCLUDING SET-OFF OR RECOUPMENT), (C) APPOINTMENT OF A RECEIVER, AND (D) TEMPORARY,

PROVISIONAL, OR ANCILLARY REMEDIES (INCLUDING WRITS OF ATTACHMENT, WRITS OF POSSESSION, TEMPORARY RESTRAINING ORDERS, OR PRELIMINARY INJUNCTIONS). THIS AGREEMENT DOES NOT LIMIT THE RIGHT OF ANY PARTY TO EXERCISE OR OPPOSE ANY OF THE RIGHTS AND REMEDIES DESCRIBED IN CLAUSES (A) - (D) AND ANY SUCH EXERCISE OR OPPOSITION DOES NOT WAIVE THE RIGHT OF ANY PARTY TO PARTICIPATE IN A REFERENCE PROCEEDING PURSUANT TO THIS AGREEMENT WITH RESPECT TO ANY OTHER MATTER.

(iii) UPON THE WRITTEN REQUEST OF ANY PARTY, THE PARTIES SHALL SELECT A SINGLE REFEREE, WHO SHALL BE A RETIRED JUDGE OR JUSTICE. IF THE PARTIES DO NOT AGREE UPON A REFEREE WITHIN 10 DAYS OF SUCH WRITTEN REQUEST, THEN, ANY PARTY SHALL HAVE THE RIGHT TO REQUEST THE COURT TO APPOINT A REFEREE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 640(B). THE REFEREE SHALL BE APPOINTED TO SIT WITH ALL OF THE POWERS PROVIDED BY LAW. PENDING APPOINTMENT OF THE REFEREE, THE COURT SHALL HAVE THE POWER TO ISSUE TEMPORARY OR PROVISIONAL REMEDIES.

(iv) EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE REFEREE SHALL DETERMINE THE MANNER IN WHICH THE REFERENCE PROCEEDING IS CONDUCTED INCLUDING THE TIME AND PLACE OF HEARINGS, THE ORDER OF PRESENTATION OF EVIDENCE, AND ALL OTHER QUESTIONS THAT ARISE WITH RESPECT TO THE COURSE OF THE REFERENCE PROCEEDING. ALL PROCEEDINGS AND HEARINGS CONDUCTED BEFORE THE REFEREE, EXCEPT FOR TRIAL, SHALL BE CONDUCTED WITHOUT A COURT REPORTER, EXCEPT WHEN ANY PARTY SO REQUESTS A COURT REPORTER AND A TRANSCRIPT IS ORDERED, A COURT REPORTER SHALL BE USED AND THE REFEREE SHALL BE PROVIDED A COURTESY COPY OF THE TRANSCRIPT. THE PARTY MAKING SUCH REQUEST SHALL HAVE THE OBLIGATION TO ARRANGE FOR AND PAY THE COSTS OF THE COURT REPORTER, PROVIDED THAT SUCH COSTS, ALONG WITH THE REFEREE'S FEES, SHALL ULTIMATELY BE BORNE BY THE PARTY WHO DOES NOT PREVAIL, AS DETERMINED BY THE REFEREE.

(v) THE REFEREE MAY REQUIRE ONE OR MORE PREHEARING CONFERENCES. THE PARTIES HERETO SHALL BE ENTITLED TO DISCOVERY, AND THE REFEREE SHALL OVERSEE DISCOVERY IN ACCORDANCE WITH THE RULES OF DISCOVERY, AND SHALL ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE IN PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA.

(vi) THE REFEREE SHALL APPLY THE RULES OF EVIDENCE APPLICABLE TO PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA AND SHALL DETERMINE ALL ISSUES IN ACCORDANCE WITH CALIFORNIA SUBSTANTIVE AND PROCEDURAL LAW. THE REFEREE SHALL BE

EMPOWERED TO ENTER EQUITABLE AS WELL AS LEGAL RELIEF AND RULE ON ANY MOTION WHICH WOULD BE AUTHORIZED IN A TRIAL, INCLUDING MOTIONS FOR DEFAULT JUDGMENT OR SUMMARY JUDGMENT. THE REFEREE SHALL REPORT HIS OR HER DECISION, WHICH REPORT SHALL ALSO INCLUDE FINDINGS OF FACT AND CONCLUSIONS OF LAW. THE REFEREE SHALL ISSUE A DECISION AND PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE, SECTION 644, THE REFEREE'S DECISION SHALL BE ENTERED BY THE COURT AS A JUDGMENT IN THE SAME MANNER AS IF THE ACTION HAD BEEN TRIED BY THE COURT. THE FINAL JUDGMENT OR ORDER FROM ANY APPEALABLE DECISION OR ORDER ENTERED BY THE REFEREE SHALL BE FULLY APPEALABLE AS IF IT HAS BEEN ENTERED BY THE COURT.

(vii) THE PARTIES RECOGNIZE AND AGREE THAT ALL CLAIMS RESOLVED IN A GENERAL REFERENCE PROCEEDING PURSUANT HERETO WILL BE DECIDED BY A REFEREE AND NOT BY A JURY. AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR OWN CHOICE, EACH PARTY HERETO KNOWINGLY AND VOLUNTARILY AND FOR THEIR MUTUAL BENEFIT AGREES THAT THIS REFERENCE PROVISION SHALL APPLY TO ANY DISPUTE BETWEEN THEM THAT ARISES OUT OF OR IS RELATED TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS.

13. ASSIGNMENTS AND PARTICIPATIONS; SUCCESSORS.

13.1. Assignments and Participations.

(a) (i) Subject to the conditions set forth in clause (a)(ii) below, any Lender may assign and delegate all or any portion of its rights and duties under the Loan Documents (including the Obligations owed to it and its Commitments) to one or more assignees (each, an "Assignee"), with the prior written consent (such consent not be unreasonably withheld or delayed) of:

(A) Borrower; provided, that no consent of Borrower shall be required (1) if an Event of Default has occurred and is continuing, or (2) in connection with an assignment to a Person that is a Lender or an Affiliate (other than natural persons) or Related Fund of a Lender; provided further, that Borrower shall be deemed to have consented to a proposed assignment unless it objects thereto by written notice to Agent within 5 Business Days after having received notice thereof; and

(B) Agent, Swing Lender, and Issuing Bank; provided, that no consent of Agent, Swing Lender or Issuing Bank shall be required (1) with respect to an Initial Lender, if an Event of Default has occurred and is continuing or (2) in connection with an assignment to a Person that is a Lender or an Affiliate or Related Fund of a Lender.

(ii) Assignments shall be subject to the following additional conditions:

(A) no assignment may be made to a natural person,

(B) no assignment may be made to a Loan Party or an Affiliate of a Loan Party,

(C) the amount of the Commitments and the other rights and obligations of the assigning Lender hereunder and under the other Loan Documents subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to Agent) shall be in a minimum amount (unless waived by Agent) of $5,000,000 (except such minimum amount shall not apply to (I) an assignment or delegation by any Lender to any other Lender, an Affiliate of any Lender, or a Related Fund of such Lender or (II) a group of new Lenders, each of which is an Affiliate of each other or a Related Fund of such new Lender to the extent that the aggregate amount to be assigned to all such new Lenders is at least $5,000,000),

(D) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement,

(E) the parties to each assignment shall execute and deliver to Agent an Assignment and Acceptance; provided, that Borrower and Agent may continue to deal solely and directly with the assigning Lender in connection with the interest so assigned to an Assignee until written notice of such assignment, together with payment instructions, addresses, and related information with respect to the Assignee, have been given to Borrower and Agent by such Lender and the Assignee,

(F) unless waived by Agent, the assigning Lender or Assignee has paid to Agent, for Agent's separate account, a processing fee in the amount of $3,500 (except that no processing fee shall be due for an assignment by a Lender to one of its Affiliates or Related Funds), and

(G) the assignee, if it is not a Lender, shall deliver to Agent an Administrative Questionnaire in a form approved by Agent (the "Administrative Questionnaire").

(b) From and after the date that Agent receives the executed Assignment and Acceptance and, if applicable, payment of the required processing fee, (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, shall be a "Lender" and shall have the rights and obligations of a Lender under the Loan Documents, and (ii) the assigning Lender shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (except with respect to Section 10.3) and be released from any future obligations under

this Agreement (and in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement and the other Loan Documents, such Lender shall cease to be a party hereto and thereto); provided, that nothing contained herein shall release any assigning Lender from obligations that survive the termination of this Agreement, including such assigning Lender's obligations under Section 15 and Section 17.9(a).

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the Assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document furnished pursuant hereto, (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrower or the performance or observance by Borrower of any of its obligations under this Agreement or any other Loan Document furnished pursuant hereto, (iii) such Assignee confirms that it has received a copy of this Agreement, together with such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance, (iv) such Assignee will, independently and without reliance upon Agent, such assigning Lender or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement, (v) such Assignee appoints and authorizes Agent to take such actions and to exercise such powers under this Agreement and the other Loan Documents as are delegated to Agent, by the terms hereof and thereof, together with such powers as are reasonably incidental thereto, and (vi) such Assignee agrees that it will perform all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) Immediately upon Agent's receipt of the required processing fee, if applicable, and delivery of notice to the assigning Lender pursuant to Section 13.1(b), this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee and the resulting adjustment of the Commitments arising therefrom. The Commitment allocated to each Assignee shall reduce such Commitments of the assigning Lender *pro tanto*.

(e) Any Lender may at any time sell to one or more commercial banks, financial institutions, or other Persons (a "Participant") participating interests in all or any portion of its Obligations, its Commitment, and the other rights and interests of that Lender (the "Originating Lender") hereunder and under the other Loan Documents; provided, that (i) the Originating Lender shall remain a "Lender" for all purposes of this Agreement and the other Loan Documents and the Participant receiving the participating interest in the Obligations, the Commitments, and the other rights and interests of the Originating Lender hereunder shall not constitute a "Lender" hereunder or under the other Loan Documents and the Originating Lender's obligations under this Agreement shall remain unchanged, (ii) the Originating Lender shall remain solely responsible for the performance of such obligations, (iii) Borrower, Agent, and the Lenders shall continue to deal solely and directly with the Originating Lender in connection with

the Originating Lender's rights and obligations under this Agreement and the other Loan Documents, (iv) no Lender shall transfer or grant any participating interest under which the Participant has the right to approve any amendment to, or any consent or waiver with respect to, this Agreement or any other Loan Document, except to the extent such amendment to, or consent or waiver with respect to this Agreement or of any other Loan Document would (A) extend the final maturity date of the Obligations hereunder in which such Participant is participating, (B) reduce the interest rate applicable to the Obligations hereunder in which such Participant is participating, (C) release all or substantially all of the Collateral or guaranties (except to the extent expressly provided herein or in any of the Loan Documents) supporting the Obligations hereunder in which such Participant is participating, (D) postpone the payment of, or reduce the amount of, the interest or fees payable to such Participant through such Lender (other than a waiver of default interest), or (E) decreases the amount or postpones the due dates of scheduled principal repayments or prepayments or premiums payable to such Participant through such Lender, (v) no participation shall be sold to a natural person, (vi) no participation shall be sold to a Loan Party or an Affiliate of a Loan Party, (vii) each such participation shall be subject to the Agreement Among Lenders and (viii) all amounts payable by Borrower hereunder shall be determined as if such Lender had not sold such participation, except that, if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement. The rights of any Participant only shall be derivative through the Originating Lender with whom such Participant participates and no Participant shall have any rights under this Agreement or the other Loan Documents or any direct rights as to the other Lenders, Agent, Borrower, the Collateral, or otherwise in respect of the Obligations. No Participant shall have the right to participate directly in the making of decisions by the Lenders among themselves.

(f) In connection with any such assignment or participation or proposed assignment or participation or any grant of a security interest in, or pledge of, its rights under and interest in this Agreement, a Lender may, subject to the provisions of Section 17.9, disclose all documents and information which it now or hereafter may have relating to Borrower and its Subsidiaries and their respective businesses.

(g) Any other provision in this Agreement notwithstanding, any Lender may at any time create a security interest in, or pledge, all or any portion of its rights under and interest in this Agreement in favor of any Federal Reserve Bank in accordance with Regulation A of the Federal Reserve Bank or U.S. Treasury Regulation 31 CFR §203.24, or in favor of any other lender or provider of financing to such Lender, and such Federal Reserve Bank or financing source may enforce such pledge or security interest in any manner permitted under applicable law.

(h) Agent, acting solely for this purpose, as a non-fiduciary agent of Borrower, shall maintain, or cause to be maintained at one of its offices in the United States of America, a register (the "Register") on which it enters the name and address of each Lender as the registered owner of the Term Loan (and the principal amount thereof and stated interest thereon) held by such Lender (each, a "Registered Loan"). The entries in the Register shall be

conclusive absent manifest error, and Borrower, Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice. Other than in connection with an assignment by a Lender of all or any portion of its portion of the Term Loan to an Affiliate of such Lender or a Related Fund of such Lender (i) a Registered Loan (and the registered note, if any, evidencing the same) may be assigned or sold in whole or in part only by registration of such assignment or sale on the Register (and each registered note shall expressly so provide) and (ii) any assignment or sale of all or part of such Registered Loan (and the registered note, if any, evidencing the same) may be effected only by registration of such assignment or sale on the Register, together with the surrender of the registered note, if any, evidencing the same duly endorsed by (or accompanied by a written instrument of assignment or sale duly executed by) the holder of such registered note, whereupon, at the request of the designated assignee(s) or transferee(s), one or more new registered notes in the same aggregate principal amount shall be issued to the designated assignee(s) or transferee(s). Prior to the registration of assignment or sale of any Registered Loan (and the registered note, if any evidencing the same), Borrower shall treat the Person in whose name such Registered Loan (and the registered note, if any, evidencing the same) is registered as the owner thereof for the purpose of receiving all payments thereon and for all other purposes, notwithstanding notice to the contrary. In the case of any assignment by a Lender of all or any portion of its Term Loan to an Affiliate of such Lender or a Related Fund of such Lender, and which assignment is not recorded in the Register, the assigning Lender, on behalf of Borrower, shall maintain a register comparable to the Register.

(i) Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of Borrower, maintain (or cause to be maintained) a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"). A Registered Loan (and the Registered Note, if any, evidencing the same) may be participated in whole or in part only by registration of such participation on the Participant Register (and each registered note shall expressly so provide). Any participation of such Registered Loan (and the registered note, if any, evidencing the same) may be effected only by the registration of such participation on the Participant Register. No Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations or as otherwise required by law. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

(j) Agent shall make a copy of the Register (and each Lender shall make a copy of its Participant Register in the extent it has one) available for review by Borrower from time to time as Borrower may reasonably request.

13.2. Successors. This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided, that Borrower may not assign this Agreement or any rights or duties hereunder without the Lenders' prior written consent and any prohibited assignment shall be absolutely void *ab initio*. No consent to assignment by the Lenders shall release Borrower from its Obligations. A Lender may assign this Agreement and the other Loan Documents and its rights and duties hereunder and thereunder pursuant to Section 13.1 and, except as expressly required pursuant to Section 13.1, no consent or approval by Borrower is required in connection with any such assignment.

13.3. Intralender Matters. Anything to the contrary contained herein notwithstanding, any Person that is to become a party to this Agreement as a Lender shall join the Agreement Among Lenders as a condition to such Person becoming a party to this Agreement as a Lender. In each case, such joinder shall be on terms and conditions (including with respect to its priority vis-a-vis other Lenders to payments and proceeds of Collateral and pricing arrangements) satisfactory to Agent and the other Lenders party to such agreement. No Loan Party is a party to such agreement or a third party beneficiary of such agreement and Agent and each Lender hereby agree that such agreement shall not impose any additional obligations or duties on any Loan Party.

14. AMENDMENTS; WAIVERS.

14.1. Amendments and Waivers.

(a) No amendment, waiver or other modification of any provision of this Agreement or any other Loan Document (other than Bank Product Agreements or the Fee Letter (subject to Section 14.1(b)(i))), and no consent with respect to any departure by Borrower therefrom, shall be effective unless the same shall be in writing and signed by the Required Lenders (or by Agent at the written request of the Required Lenders) and the Loan Parties that are party thereto and then any such waiver or consent shall be effective, but only in the specific instance and for the specific purpose for which given; provided, that no such waiver, amendment, or consent shall, unless in writing and signed by all of the Lenders directly affected thereby and all of the Loan Parties that are party thereto, do any of the following:

(i) increase the amount of or extend the expiration date of any Commitment of any Lender or amend, modify, or eliminate the last sentence of Section 2.4(c)(i),

(ii) postpone or delay any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees, or other amounts due hereunder or under any other Loan Document,

(iii) reduce the principal of, or the rate of interest on, any loan or other extension of credit hereunder, or reduce any fees or other amounts payable hereunder or under any other Loan Document (except (y) in connection with the waiver of applicability of Section 2.6(c) (which waiver shall be effective with the written consent of the Required Lenders), and (z) that any amendment or modification of defined terms used

in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or a reduction of fees for purposes of this clause (iii)),

(iv) amend, modify, or eliminate this Section or any provision of this Agreement providing for consent or other action by all Lenders,

(v) amend, modify, or eliminate Section 3.1 or 3.2,

(vi) amend, modify, or eliminate Section 15.11,

(vii) other than as permitted by Section 15.11, release Agent's Lien in and to any of the Collateral,

(viii) amend, modify, or eliminate the definitions of "Required Lenders" or "Pro Rata Share",

(ix) contractually subordinate any of Agent's Liens,

(x) other than in connection with a merger, liquidation, dissolution or sale of such Person expressly permitted by the terms hereof or the other Loan Documents, release Borrower or any Guarantor from any obligation for the payment of money or consent to the assignment or transfer by Borrower or any Guarantor of any of its rights or duties under this Agreement or the other Loan Documents,

(xi) amend, modify, or eliminate any of the provisions of Section 2.4(b)(i), (ii) or (iii) or 2.4(f), or

(xii) amend, modify, or eliminate any of the provisions of Section 13.1 with respect to assignments to, or participations with, Persons who are Loan Parties or an Affiliate of a Loan Party (any such change shall be deemed to directly affect all Lenders);

(b) No amendment, waiver, modification, or consent shall amend, modify, waive, or eliminate,

(i) (x) the definition of, or any of the terms or provisions of, the Fee Letter (other than Section 1 of Article A and Article B of the Fee Letter), without the written consent of Agent and Borrower (and shall not require the written consent of any of the Lenders) and (y) any of the terms or provisions of Section 1 of Article A and Article B of the Fee Letter or this Section 14.1(b)(i), without the written consent of Agent, each of the Lenders directly affected thereby and Borrower, or

(ii) any provision of Section 15 pertaining to Agent, or any other rights or duties of Agent under this Agreement or the other Loan Documents, without the written consent of Agent, Borrower, and the Required Lenders;

(c) No amendment, waiver, modification, elimination, or consent shall amend, modify, or waive any provision of this Agreement or the other Loan Documents pertaining to Issuing Bank, or any other rights or duties of Issuing Bank under this Agreement or the other

Loan Documents, without the written consent of Issuing Bank, Agent, Borrower, and the Required Lenders;

(d) No amendment, waiver, modification, elimination, or consent shall amend, modify, or waive any provision of this Agreement or the other Loan Documents pertaining to Swing Lender, or any other rights or duties of Swing Lender under this Agreement or the other Loan Documents, without the written consent of Swing Lender, Agent, Borrower, and the Required Lenders; and

(e) Anything in this Section 14.1 to the contrary notwithstanding, (i) any amendment, modification, elimination, waiver, consent, termination, or release of, or with respect to, any provision of this Agreement or any other Loan Document that relates only to the relationship of the Lender Group among themselves, and that does not affect the rights or obligations of Borrower, shall not require consent by or the agreement of any Loan Party, and (ii) any amendment, waiver, modification, elimination, or consent of or with respect to any provision of this Agreement or any other Loan Document may be entered into without the consent of, or over the objection of, any Defaulting Lender other than any of the matters governed by Section 14.1(a)(i) through (iii) that affect such Lender.

14.2. Replacement of Certain Lenders.

(a) If (i) any action to be taken by the Lender Group or Agent hereunder requires the consent, authorization, or agreement of all Lenders or all Lenders affected thereby and if such action has received the consent, authorization, or agreement of the Required Lenders but not of all Lenders or all Lenders affected thereby, or (ii) any Lender makes a claim for compensation under Section 16, then Borrower or Agent, upon at least 5 Business Days prior irrevocable notice, may permanently replace any Lender that failed to give its consent, authorization, or agreement (a "Non-Consenting Lender") or any Lender that made a claim for compensation (a "Tax Lender") with one or more Replacement Lenders, and the Non-Consenting Lender or Tax Lender, as applicable, shall have no right to refuse to be replaced hereunder. Such notice to replace the Non-Consenting Lender or Tax Lender, as applicable, shall specify an effective date for such replacement, which date shall not be later than 15 Business Days after the date such notice is given.

(b) Prior to the effective date of such replacement, the Non-Consenting Lender or Tax Lender, as applicable, and each Replacement Lender shall execute and deliver an Assignment and Acceptance, subject only to the Non-Consenting Lender or Tax Lender, as applicable, being repaid in full its share of the outstanding Obligations (without any premium or penalty of any kind whatsoever, but including (i) all interest, fees and other amounts that may be due in payable in respect thereof, and (ii) an assumption of its Pro Rata Share of participations in the Letters of Credit). If the Non-Consenting Lender or Tax Lender, as applicable, shall refuse or fail to execute and deliver any such Assignment and Acceptance prior to the effective date of such replacement, Agent may, but shall not be required to, execute and deliver such Assignment and Acceptance in the name or and on behalf of the Non-Consenting Lender or Tax Lender, as applicable, and irrespective of whether Agent executes and delivers such Assignment and Acceptance, the Non-Consenting Lender or Tax Lender, as applicable, shall be deemed to have executed and delivered such Assignment and Acceptance. The replacement of any Non-

Consenting Lender or Tax Lender, as applicable, shall be made in accordance with the terms of Section 13.1. Until such time as one or more Replacement Lenders shall have acquired all of the Obligations, the Commitments, and the other rights and obligations of the Non-Consenting Lender or Tax Lender, as applicable, hereunder and under the other Loan Documents, the Non-Consenting Lender or Tax Lender, as applicable, shall remain obligated to make the Non-Consenting Lender's or Tax Lender's, as applicable, Pro Rata Share of Revolving Loans and to purchase a participation in each Letter of Credit, in an amount equal to its Pro Rata Share of participations in such Letters of Credit.

14.3. No Waivers; Cumulative Remedies. No failure by Agent or any Lender to exercise any right, remedy, or option under this Agreement or any other Loan Document, or delay by Agent or any Lender in exercising the same, will operate as a waiver thereof. No waiver by Agent or any Lender will be effective unless it is in writing, and then only to the extent specifically stated. No waiver by Agent or any Lender on any occasion shall affect or diminish Agent's and each Lender's rights thereafter to require strict performance by Borrower of any provision of this Agreement. Agent's and each Lender's rights under this Agreement and the other Loan Documents will be cumulative and not exclusive of any other right or remedy that Agent or any Lender may have.

15. AGENT; THE LENDER GROUP.

15.1. Appointment and Authorization of Agent. Each Lender hereby designates and appoints Wells Fargo as its agent under this Agreement and the other Loan Documents and each Lender hereby irrevocably authorizes (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to designate, appoint, and authorize) Agent to execute and deliver each of the other Loan Documents on its behalf and to take such other action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to Agent by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Agent agrees to act as agent for and on behalf of the Lenders (and the Bank Product Providers) on the conditions contained in this Section 15. Any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document notwithstanding, Agent shall not have any duties or responsibilities, except those expressly set forth herein or in the other Loan Documents, nor shall Agent have or be deemed to have any fiduciary relationship with any Lender (or Bank Product Provider), and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against Agent. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement or the other Loan Documents with reference to Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only a representative relationship between independent contracting parties. Each Lender hereby further authorizes (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to authorize) Agent to act as the secured party under each of the Loan Documents that create a Lien on any item of Collateral. Except as expressly otherwise provided in this Agreement, Agent shall have and may use its sole discretion with respect to exercising or refraining from exercising any discretionary rights or taking or refraining from taking any actions that Agent expressly is entitled to take or assert

under or pursuant to this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, or of any other provision of the Loan Documents that provides rights or powers to Agent, Lenders agree that Agent shall have the right to exercise the following powers as long as this Agreement remains in effect: (a) maintain, in accordance with its customary business practices, ledgers and records reflecting the status of the Obligations, the Collateral, payments and proceeds of Collateral, and related matters, (b) execute or file any and all financing or similar statements or notices, amendments, renewals, supplements, documents, instruments, proofs of claim, notices and other written agreements with respect to the Loan Documents, (c) make Revolving Loans, for itself or on behalf of Lenders, as provided in the Loan Documents, (d) exclusively receive, apply, and distribute payments and proceeds of the Collateral as provided in the Loan Documents, (e) open and maintain such bank accounts and cash management arrangements as Agent deems necessary and appropriate in accordance with the Loan Documents for the foregoing purposes, (f) perform, exercise, and enforce any and all other rights and remedies of the Lender Group with respect to Borrower or its Subsidiaries, the Obligations, the Collateral, or otherwise related to any of same as provided in the Loan Documents, and (g) incur and pay such Lender Group Expenses as Agent may deem necessary or appropriate for the performance and fulfillment of its functions and powers pursuant to the Loan Documents.

15.2. Delegation of Duties. Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Agent shall not be responsible for the negligence or misconduct of any agent or attorney in fact that it selects as long as such selection was made without gross negligence or willful misconduct.

15.3. Liability of Agent. None of the Agent-Related Persons shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct), or (b) be responsible in any manner to any of the Lenders (or Bank Product Providers) for any recital, statement, representation or warranty made by Borrower or any of its Subsidiaries or Affiliates, or any officer or director thereof, contained in this Agreement or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of Borrower or its Subsidiaries or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lenders (or Bank Product Providers) to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the books and records or properties of Borrower or its Subsidiaries.

15.4. Reliance by Agent. Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, telefacsimile or other electronic method of transmission, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent, or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to Borrower or counsel to any Lender), independent accountants and

other experts selected by Agent. Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless Agent shall first receive such advice or concurrence of the Lenders as it deems appropriate and until such instructions are received, Agent shall act, or refrain from acting, as it deems advisable. If Agent so requests, it shall first be indemnified to its reasonable satisfaction by the Lenders (and, if it so elects, the Bank Product Providers) against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders (and Bank Product Providers).

15.5. Notice of Default or Event of Default. Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest, fees, and expenses required to be paid to Agent for the account of the Lenders and, except with respect to Events of Default of which Agent has actual knowledge, unless Agent shall have received written notice from a Lender or Borrower referring to this Agreement, describing such Default or Event of Default, and stating that such notice is a "notice of default." Agent promptly will notify the Lenders of its receipt of any such notice or of any Event of Default of which Agent has actual knowledge. If any Lender obtains actual knowledge of any Event of Default, such Lender shall use commercially reasonable efforts to promptly notify the other Lenders and Agent of such Event of Default. Each Lender shall be solely responsible for giving any notices to its Participants, if any. Subject to Section 15.4, Agent shall take such action with respect to such Default or Event of Default as may be requested by the Required Lenders in accordance with Section 9; provided, that unless and until Agent has received any such request, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable.

15.6. Credit Decision. Each Lender (and Bank Product Provider) acknowledges that none of the Agent-Related Persons has made any representation or warranty to it, and that no act by Agent hereinafter taken, including any review of the affairs of Borrower and its Subsidiaries or Affiliates, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender (or Bank Product Provider). Each Lender represents (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to represent) to Agent that it has, independently and without reliance upon any Agent-Related Person and based on such due diligence, documents and information as it has deemed appropriate, made its own appraisal of an investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of Borrower or any other Person party to a Loan Document, and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to Borrower. Each Lender also represents (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to represent) that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations,

property, financial and other condition and creditworthiness of Borrower or any other Person party to a Loan Document. Except for notices, reports, and other documents expressly herein required to be furnished to the Lenders by Agent, Agent shall not have any duty or responsibility to provide any Lender (or Bank Product Provider) with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of Borrower or any other Person party to a Loan Document that may come into the possession of any of the Agent-Related Persons. Each Lender acknowledges (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to acknowledge) that Agent does not have any duty or responsibility, either initially or on a continuing basis (except to the extent, if any, that is expressly specified herein) to provide such Lender (or Bank Product Provider) with any credit or other information with respect to Borrower, its Affiliates or any of their respective business, legal, financial or other affairs, and irrespective of whether such information came into Agent's or its Affiliates' or representatives' possession before or after the date on which such Lender became a party to this Agreement (or such Bank Product Provider entered into a Bank Product Agreement).

15.7. Costs and Expenses; Indemnification. Agent may incur and pay Lender Group Expenses to the extent Agent reasonably deems necessary or appropriate for the performance and fulfillment of its functions, powers, and obligations pursuant to the Loan Documents, including court costs, attorneys' fees and expenses, fees and expenses of financial accountants, advisors, consultants, and appraisers, costs of collection by outside collection agencies, auctioneer fees and expenses, and costs of security guards or insurance premiums paid to maintain the Collateral, whether or not Borrower is obligated to reimburse Agent or Lenders for such expenses pursuant to this Agreement or otherwise. Agent is authorized and directed to deduct and retain sufficient amounts from payments or proceeds of the Collateral received by Agent to reimburse Agent for such out-of-pocket costs and expenses prior to the distribution of any amounts to Lenders (or Bank Product Providers). In the event Agent is not reimbursed for such costs and expenses by Borrower or its Subsidiaries, each Lender hereby agrees that it is and shall be obligated to pay to Agent such Lender's ratable thereof. Whether or not the transactions contemplated hereby are consummated, each of the Lenders, on a ratable basis, shall indemnify and defend the Agent-Related Persons (to the extent not reimbursed by or on behalf of Borrower and without limiting the obligation of Borrower to do so) from and against any and all Indemnified Liabilities; provided, that no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities resulting solely from such Person's gross negligence or willful misconduct nor shall any Lender be liable for the obligations of any Defaulting Lender in failing to make a Revolving Loan or other extension of credit hereunder. Without limitation of the foregoing, each Lender shall reimburse Agent upon demand for such Lender's ratable share of any costs or out of pocket expenses (including attorneys, accountants, advisors, and consultants fees and expenses) incurred by Agent in connection with the preparation, execution, delivery, administration, modification, amendment, or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any other Loan Document to the extent that Agent is not reimbursed for such expenses by or on behalf of Borrower. The undertaking in this Section shall survive the payment of all Obligations hereunder and the resignation or replacement of Agent.

15.8. Agent in Individual Capacity. Wells Fargo and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, provide Bank Products to, acquire Equity Interests in, and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with Borrower and its Subsidiaries and Affiliates and any other Person party to any Loan Document as though Wells Fargo were not Agent hereunder, and, in each case, without notice to or consent of the other members of the Lender Group. The other members of the Lender Group acknowledge (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to acknowledge) that, pursuant to such activities, Wells Fargo or its Affiliates may receive information regarding Borrower or its Affiliates or any other Person party to any Loan Documents that is subject to confidentiality obligations in favor of Borrower or such other Person and that prohibit the disclosure of such information to the Lenders (or Bank Product Providers), and the Lenders acknowledge (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to acknowledge) that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver Agent will use its reasonable best efforts to obtain), Agent shall not be under any obligation to provide such information to them. The terms "Lender" and "Lenders" include Wells Fargo in its individual capacity.

15.9. Successor Agent. Agent may resign as Agent upon 30 days (10 days if an Event of Default has occurred and is continuing) prior written notice to the Lenders (unless such notice is waived by the Required Lenders) and Borrower (unless such notice is waived by Borrower) and without any notice to the Bank Product Providers. If Agent resigns under this Agreement, the Required Lenders shall be entitled, with (so long as no Event of Default has occurred and is continuing) the consent of Borrower (such consent not to be unreasonably withheld, delayed, or conditioned), appoint a successor Agent for the Lenders (and the Bank Product Providers). If, at the time that Agent's resignation is effective, it is acting as Issuing Bank or the Swing Lender, such resignation shall also operate to effectuate its resignation as Issuing Bank or the Swing Lender, as applicable, and it shall automatically be relieved of any further obligation to issue Letters of Credit or to make Swing Loans. If no successor Agent is appointed prior to the effective date of the resignation of Agent, Agent may appoint, after consulting with the Lenders and Borrower, a successor Agent. If Agent has materially breached or failed to perform any material provision of this Agreement or of applicable law, the Required Lenders may agree in writing to remove and replace Agent with a successor Agent from among the Lenders with (so long as no Event of Default has occurred and is continuing) the consent of Borrower (such consent not to be unreasonably withheld, delayed, or conditioned). In any such event, upon the acceptance of its appointment as successor Agent hereunder, such successor Agent shall succeed to all the rights, powers, and duties of the retiring Agent and the term "Agent" shall mean such successor Agent and the retiring Agent's appointment, powers, and duties as Agent shall be terminated. After any retiring Agent's resignation hereunder as Agent, the provisions of this Section 15 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement. If no successor Agent has accepted appointment as Agent by the date which is 30 days following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective and the Lenders shall perform all of the duties of Agent hereunder until such time, if any, as the Lenders appoint a successor Agent as provided for above.

15.10. Lender in Individual Capacity. Any Lender and its respective Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, provide Bank Products to, acquire Equity Interests in and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with Borrower and its Subsidiaries and Affiliates and any other Person party to any Loan Documents as though such Lender were not a Lender hereunder without notice to or consent of the other members of the Lender Group (or the Bank Product Providers). The other members of the Lender Group acknowledge (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to acknowledge) that, pursuant to such activities, such Lender and its respective Affiliates may receive information regarding Borrower or its Affiliates or any other Person party to any Loan Documents that is subject to confidentiality obligations in favor of Borrower or such other Person and that prohibit the disclosure of such information to the Lenders, and the Lenders acknowledge (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to acknowledge) that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver such Lender will use its reasonable best efforts to obtain), such Lender shall not be under any obligation to provide such information to them.

15.11. Collateral Matters.

(a) The Lenders hereby irrevocably authorize (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to authorize) Agent to release any Lien on any Collateral (i) upon the termination of the Commitments and payment and satisfaction in full by Borrower of all of the Obligations, (ii) constituting property being sold or disposed of if a release is required or desirable in connection therewith and if Borrower certifies to Agent that the sale or disposition is permitted under Section 6.4 (and Agent may rely conclusively on any such certificate, without further inquiry), (iii) constituting property in which Borrower or its Subsidiaries owned no interest at the time Agent's Lien was granted nor at any time thereafter, (iv) constituting property leased or licensed to Borrower or its Subsidiaries under a lease or license that has expired or is terminated in a transaction permitted under this Agreement, or (v) in connection with a credit bid or purchase authorized under this Section 15.11. The Loan Parties and the Lenders hereby irrevocably authorize (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to authorize) Agent, based upon the instruction of the Required Lenders, to (a) consent to, credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any sale thereof conducted under the provisions of the Bankruptcy Code, including Section 363 of the Bankruptcy Code, (b) credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any sale or other disposition thereof conducted under the provisions of the Code, including pursuant to Sections 9-610 or 9-620 of the Code, or (c) credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any other sale or foreclosure conducted or consented to by Agent in accordance with applicable law in any judicial action or proceeding or by the exercise of any legal or equitable remedy. In connection with any such credit bid or purchase, (i) the Obligations owed to the Lenders and the Bank Product Providers shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims being estimated for such purpose if the fixing or liquidation thereof would not impair or unduly delay the ability of Agent to credit bid or purchase at such sale or other disposition of the Collateral and, if such contingent or unliquidated claims cannot be

estimated without impairing or unduly delaying the ability of Agent to credit bid at such sale or other disposition, then such claims shall be disregarded, not credit bid, and not entitled to any interest in the Collateral that is the subject of such credit bid or purchase) and the Lenders and the Bank Product Providers whose Obligations are credit bid shall be entitled to receive interests (ratably based upon the proportion of their Obligations credit bid in relation to the aggregate amount of Obligations so credit bid) in the Collateral that is the subject of such credit bid or purchase (or in the Equity Interests of the any entities that are used to consummate such credit bid or purchase), and (ii) Agent, based upon the instruction of the Required Lenders, may accept non-cash consideration, including debt and equity securities issued by any entities used to consummate such credit bid or purchase and in connection therewith Agent may reduce the Obligations owed to the Lenders and the Bank Product Providers (ratably based upon the proportion of their Obligations credit bid in relation to the aggregate amount of Obligations so credit bid) based upon the value of such non-cash consideration. Except as provided above, Agent will not execute and deliver a release of any Lien on any Collateral without the prior written authorization of (y) if the release is of all or substantially all of the Collateral, all of the Lenders (without requiring the authorization of the Bank Product Providers), or (z) otherwise, the Required Lenders (without requiring the authorization of the Bank Product Providers). Upon request by Agent or Borrower at any time, the Lenders will (and if so requested, the Bank Product Providers will) confirm in writing Agent's authority to release any such Liens on particular types or items of Collateral pursuant to this Section 15.11; provided, that (1) anything to the contrary contained in any of the Loan Documents notwithstanding, Agent shall not be required to execute any document or take any action necessary to evidence such release on terms that, in Agent's opinion, could expose Agent to liability or create any obligation or entail any consequence other than the release of such Lien without recourse, representation, or warranty, and (2) such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly released) upon (or obligations of Borrower in respect of) any and all interests retained by Borrower, including, the proceeds of any sale, all of which shall continue to constitute part of the Collateral. Each Lender further hereby irrevocably authorize (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to irrevocably authorize) Agent, at its option and in its sole discretion, to subordinate any Lien granted to or held by Agent under any Loan Document to the holder of any Permitted Lien on such property if such Permitted Lien secures Permitted Purchase Money Indebtedness.

(b) Agent shall have no obligation whatsoever to any of the Lenders (or the Bank Product Providers) (i) to verify or assure that the Collateral exists or is owned by Borrower or its Subsidiaries or is cared for, protected, or insured or has been encumbered, (ii) to verify or assure that Agent's Liens have been properly or sufficiently or lawfully created, perfected, protected, or enforced or are entitled to any particular priority, (iii) to impose, maintain, increase, reduce, implement, or eliminate any particular reserve hereunder or to determine whether the amount of any reserve is appropriate or not, or (iv) to exercise at all or in any particular manner or under any duty of care, disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to Agent pursuant to any of the Loan Documents, it being understood and agreed that in respect of the Collateral, or any act, omission, or event related thereto, subject to the terms and conditions contained herein, Agent may act in any manner it may deem appropriate, in its sole discretion given Agent's own interest in the Collateral in its capacity as one of the Lenders and that Agent shall have no other duty or liability

whatsoever to any Lender (or Bank Product Provider) as to any of the foregoing, except as otherwise expressly provided herein.

15.12. Restrictions on Actions by Lenders; Sharing of Payments.

(a) Each of the Lenders agrees that it shall not, without the express written consent of Agent, and that it shall, to the extent it is lawfully entitled to do so, upon the written request of Agent, set off against the Obligations, any amounts owing by such Lender to Borrower or its Subsidiaries or any deposit accounts of Borrower or its Subsidiaries now or hereafter maintained with such Lender. Each of the Lenders further agrees that it shall not, unless specifically requested to do so in writing by Agent, take or cause to be taken any action, including, the commencement of any legal or equitable proceedings to enforce any Loan Document against Borrower or any Guarantor or to foreclose any Lien on, or otherwise enforce any security interest in, any of the Collateral.

(b) If, at any time or times any Lender shall receive (i) by payment, foreclosure, setoff, or otherwise, any proceeds of Collateral or any payments with respect to the Obligations, except for any such proceeds or payments received by such Lender from Agent pursuant to the terms of this Agreement, or (ii) payments from Agent in excess of such Lender's Pro Rata Share of all such distributions by Agent, such Lender promptly shall (A) turn the same over to Agent, in kind, and with such endorsements as may be required to negotiate the same to Agent, or in immediately available funds, as applicable, for the account of all of the Lenders and for application to the Obligations in accordance with the applicable provisions of this Agreement, or (B) purchase, without recourse or warranty, an undivided interest and participation in the Obligations owed to the other Lenders so that such excess payment received shall be applied ratably as among the Lenders in accordance with their Pro Rata Shares; provided, that to the extent that such excess payment received by the purchasing party is thereafter recovered from it, those purchases of participations shall be rescinded in whole or in part, as applicable, and the applicable portion of the purchase price paid therefor shall be returned to such purchasing party, but without interest except to the extent that such purchasing party is required to pay interest in connection with the recovery of the excess payment.

15.13. Agency for Perfection. Agent hereby appoints each other Lender (and each Bank Product Provider) as its agent (and each Lender hereby accepts (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to accept) such appointment) for the purpose of perfecting Agent's Liens in assets which, in accordance with Article 8 or Article 9, as applicable, of the Code can be perfected by possession or control. Should any Lender obtain possession or control of any such Collateral, such Lender shall notify Agent thereof, and, promptly upon Agent's request therefor shall deliver possession or control of such Collateral to Agent or in accordance with Agent's instructions.

15.14. Payments by Agent to the Lenders. All payments to be made by Agent to the Lenders (or Bank Product Providers) shall be made by bank wire transfer of immediately available funds pursuant to such wire transfer instructions as each party may designate for itself by written notice to Agent. Concurrently with each such payment, Agent shall identify whether such payment (or any portion thereof) represents principal, premium, fees, or interest of the Obligations.

15.15. Concerning the Collateral and Related Loan Documents. Each member of the Lender Group authorizes and directs Agent to enter into this Agreement and the other Loan Documents. Each member of the Lender Group agrees (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to agree) that any action taken by Agent in accordance with the terms of this Agreement or the other Loan Documents relating to the Collateral and the exercise by Agent of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders (and such Bank Product Provider).

15.16. Financial Examination Reports; Confidentiality; Disclaimers by Lenders; Other Reports and Information. By becoming a party to this Agreement, each Lender:

(a) is deemed to have requested that Agent furnish such Lender, promptly after it becomes available, a copy of each financial examination report respecting Borrower or its Subsidiaries (each, a "Report") prepared by or at the request of Agent, and Agent shall so furnish each Lender with such Reports,

(b) expressly agrees and acknowledges that Agent does not (i) make any representation or warranty as to the accuracy of any Report, and (ii) shall not be liable for any information contained in any Report,

(c) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that Agent or other party performing any financial examination will inspect only specific information regarding Borrower and its Subsidiaries and will rely significantly upon Borrower's and its Subsidiaries' books and records, as well as on representations of Borrower's personnel,

(d) agrees to keep all Reports and other material, non-public information regarding Borrower and its Subsidiaries and their operations, assets, and existing and contemplated business plans in a confidential manner in accordance with Section 17.9, and

(e) without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold Agent and any other Lender preparing a Report harmless from any action the indemnifying Lender may take or fail to take or any conclusion the indemnifying Lender may reach or draw from any Report in connection with any loans or other credit accommodations that the indemnifying Lender has made or may make to Borrower, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a loan or loans of Borrower, and (ii) to pay and protect, and indemnify, defend and hold Agent, and any such other Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including, attorneys' fees and costs) incurred by Agent and any such other Lender preparing a Report as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

(f) In addition to the foregoing, (x) any Lender may from time to time request of Agent in writing that Agent provide to such Lender a copy of any report or document provided by Borrower or its Subsidiaries to Agent that has not been contemporaneously provided by Borrower or such Subsidiary to such Lender, and, upon receipt of such request, Agent promptly shall provide a copy of same to such Lender, (y) to the extent that Agent is entitled,

under any provision of the Loan Documents, to request additional reports or information from Borrower or its Subsidiaries, any Lender may, from time to time, reasonably request Agent to exercise such right as specified in such Lender's notice to Agent, whereupon Agent promptly shall request of Borrower the additional reports or information reasonably specified by such Lender, and, upon receipt thereof from Borrower or such Subsidiary, Agent promptly shall provide a copy of same to such Lender, and (z) any time that Agent renders to Borrower a statement regarding the Loan Account, Agent shall send a copy of such statement to each Lender.

15.17. Several Obligations; No Liability. Notwithstanding that certain of the Loan Documents now or hereafter may have been or will be executed only by or in favor of Agent in its capacity as such, and not by or in favor of the Lenders, any and all obligations on the part of Agent (if any) to make any credit available hereunder shall constitute the several (and not joint) obligations of the respective Lenders on a ratable basis, according to their respective Commitments, to make an amount of such credit not to exceed, in principal amount, at any one time outstanding, the amount of their respective Commitments. Nothing contained herein shall confer upon any Lender any interest in, or subject any Lender to any liability for, or in respect of, the business, assets, profits, losses, or liabilities of any other Lender. Each Lender shall be solely responsible for notifying its Participants of any matters relating to the Loan Documents to the extent any such notice may be required, and no Lender shall have any obligation, duty, or liability to any Participant of any other Lender. Except as provided in Section 15.7, no member of the Lender Group shall have any liability for the acts of any other member of the Lender Group. No Lender shall be responsible to Borrower or any other Person for any failure by any other Lender (or Bank Product Provider) to fulfill its obligations to make credit available hereunder, nor to advance for such Lender (or Bank Product Provider) or on its behalf, nor to take any other action on behalf of such Lender (or Bank Product Provider) hereunder or in connection with the financing contemplated herein.

16. WITHHOLDING TAXES.

16.1. Payments. All payments made by any Loan Party hereunder or under any note or other Loan Document will be made without setoff, counterclaim, or other defense. In addition, any and all payments by or on account of any obligation of any Loan Party under any Loan Document will be made free and clear of, and without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 16, the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made. Borrower will furnish to Agent as promptly as possible after the date the payment of any Indemnified Tax is due pursuant to applicable law, certified copies of tax receipts issued by the applicable Governmental Authority imposing the Tax evidencing such payment by Borrower. Borrower agrees to timely pay to the relevant Governmental Authority in

accordance with applicable law, or at the option of the Agent timely reimburse it for the payment of, any Other Taxes.

16.2. Exemptions.

(a) If a Lender or Participant is entitled to claim an exemption or reduction from United States withholding tax, such Lender or Participant agrees with and in favor of Agent, to deliver to Agent (or, in the case of a Participant, to the Lender granting the participation only) one of the following before receiving its first payment under this Agreement:

(i) if such Lender or Participant is a Foreign Lender and is claiming the benefits of the exemption from United States withholding tax pursuant to the portfolio interest exception under Section 881(c) of the IRC, (A) a certificate substantially in the form of Exhibit T-1 to the effect that such Foreign Lender is not (I) a "bank" within the meaning of Section 881(c)(3)(A) of the IRC, (II) a 10% shareholder of Borrower within the meaning of Section 881(c)(3)(B) of the IRC), or (III) a controlled foreign corporation related to Borrower within the meaning of Section 861(c)(3)(C) of the IRC (a "U.S. Tax Compliance Certificate"), and (B) a properly completed and executed copy of IRS Form W-8BEN or IRS Form W-8BEN-E;

(ii) if such Lender or Participant is a Foreign Lender claiming the benefits of an income Tax treaty to which the United States is a party, a properly completed and executed copy of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article or the "business profits" or "other income" article of such income Tax treaty, as applicable;

(iii) if such Lender or Participant is entitled to claim that interest paid under this Agreement is exempt from United States withholding tax because it is effectively connected with a United States trade or business of such Lender, a properly completed and executed copy of IRS Form W-8ECI;

(iv) if such Lender or Participant is a Foreign Lender but is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit T-2 or Exhibit T-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit T-4 on behalf of each such direct and indirect partner; or

(v) a properly completed and executed copy of any other form or forms, including IRS Form W-9, as may be required under the IRC or other laws of the United States as a condition to exemption from, or reduction of, United States withholding or backup withholding tax.

(b) Each Lender or Participant agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Agent in writing of its legal inability to do so.

(c) If a payment to a Lender or Participant under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the IRC, as applicable), such Lender or Participant shall deliver to the Borrower and the Agent at the time or times prescribed by law and at such time or times reasonably requested by Borrower or Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the IRC) and such additional documentation reasonably requested by Borrower or Agent as may be necessary for the Borrower and the Agent to comply with their obligations under FATCA or to determine the amount to deduct and withhold from such payment.

(d) If a Lender or Participant claims an exemption from withholding Tax in a jurisdiction other than the United States, such Lender or such Participant agrees with and in favor of Agent, to deliver to Agent (or, in the case of a Participant, to the Lender granting the participation only) any such form or forms, as may be required under the laws of such jurisdiction as a condition to exemption from, or reduction of, foreign withholding or backup withholding Tax before receiving its first payment under this Agreement, but only if such Lender or such Participant is legally able to deliver such forms, provided, that nothing in this Section 16.2(d) shall require a Lender or Participant to disclose any information that it deems to be confidential (including without limitation, its Tax returns). Each Lender and each Participant shall provide new forms (or successor forms) upon the expiration or obsolescence of any previously delivered forms and to promptly notify Agent (or, in the case of a Participant, to the Lender granting the participation only) of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(e) If a Lender or Participant claims exemption from, or reduction of, withholding Tax and such Lender or Participant sells, assigns, grants a participation in, or otherwise transfers all or part of the Obligations of Borrower to such Lender or Participant, such Lender or Participant agrees to notify Agent (or, in the case of a sale of a participation interest, to the Lender granting the participation only) of the percentage amount in which it is no longer the beneficial owner of Obligations of Borrower to such Lender or Participant. To the extent of such percentage amount, Agent will treat such Lender's or such Participant's documentation provided pursuant to Section 16.2(a) or 16.2(d) as no longer valid. With respect to such percentage amount, such Participant or Assignee may provide new documentation, pursuant to Section 16.2(a) or 16.2(d), if applicable. Borrower agrees that each Participant shall be entitled to the benefits of this Section 16 with respect to its participation in any portion of the Commitments and the Obligations so long as such Participant complies with the obligations set forth in this Section 16 with respect thereto.

16.3. Indemnification.

(a) Indemnification by the Borrower. The Loan Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 16) payable or paid by such Recipient (or its Affiliates) or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto (including reasonable attorneys' and tax advisor fees and expenses), whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Agent) or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(b) Indemnification by the Lenders. Each Lender shall severally indemnify the Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 13.1(i) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto (including reasonable attorneys' and tax advisor fees and expenses), whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this paragraph (b).

16.4. Refunds. If Agent or a Lender determines, in its sole discretion, that it has received a refund of any Indemnified Taxes to which Borrower has paid additional amounts pursuant to this Section 16, so long as no Default or Event of Default has occurred and is continuing, it shall pay over such refund to Borrower (but only to the extent of payments made, or additional amounts paid, by Borrower under this Section 16 with respect to Indemnified Taxes giving rise to such a refund), net of all out-of-pocket expenses of Agent or such Lender and without interest (other than any interest paid by the applicable Governmental Authority with respect to such a refund); provided, that Borrower, upon the request of Agent or such Lender, agrees to repay the amount paid over to Borrower (plus any penalties, interest or other charges, imposed by the applicable Governmental Authority, other than such penalties, interest or other charges imposed as a result of the willful misconduct or gross negligence of Agent hereunder) to Agent or such Lender in the event Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything in this Agreement to the contrary, this Section 16 shall not be construed to require Agent or any Lender (i) to make available its tax returns (or any other information which it deems confidential) to Borrower or any other Person or (ii) to pay any amount pursuant to this Section 16.4 the payment of which would place such Lender or Agent (or their Affiliates) in a less favorable net after-Tax position than such Person would have been in if the Tax subject to indemnification and giving rise to such refund had not

been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid.

16.5. Survival. Each party's obligations under this Section 16 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

17. GENERAL PROVISIONS.

17.1. Effectiveness. This Agreement shall be binding and deemed effective when executed by Borrower, Agent, and each Lender whose signature is provided for on the signature pages hereof.

17.2. Section Headings. Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement.

17.3. Interpretation. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed against the Lender Group or Borrower, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

17.4. Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

17.5. Bank Product Providers. Each Bank Product Provider in its capacity as such shall be deemed a third party beneficiary hereof and of the provisions of the other Loan Documents for purposes of any reference in a Loan Document to the parties for whom Agent is acting. Agent hereby agrees to act as agent for such Bank Product Providers and, by virtue of entering into a Bank Product Agreement, the applicable Bank Product Provider shall be automatically deemed to have appointed Agent as its agent and to have accepted the benefits of the Loan Documents. It is understood and agreed that the rights and benefits of each Bank Product Provider under the Loan Documents consist exclusively of such Bank Product Provider's being a beneficiary of the Liens and security interests (and, if applicable, guarantees) granted to Agent and the right to share in payments and collections out of the Collateral as more fully set forth herein. In addition, each Bank Product Provider, by virtue of entering into a Bank Product Agreement, shall be automatically deemed to have agreed that Agent shall have the right, but shall have no obligation, to establish, maintain, relax, or release reserves in respect of the Bank Product Obligations and that if reserves are established there is no obligation on the part of Agent to determine or insure whether the amount of any such reserve is appropriate or not. In connection with any such distribution of payments or proceeds of Collateral, Agent shall be entitled to assume no amounts are due or owing to any Bank Product Provider unless such Bank Product Provider has provided a written certification (setting forth a reasonably detailed calculation) to Agent as to the amounts that are due and owing to it and such written certification is received by Agent a reasonable period of time prior to the making of such distribution. Agent shall have no obligation to calculate the amount due and payable with respect to any Bank

Products, but may rely upon the written certification of the amount due and payable from the applicable Bank Product Provider. In the absence of an updated certification, Agent shall be entitled to assume that the amount due and payable to the applicable Bank Product Provider is the amount last certified to Agent by such Bank Product Provider as being due and payable (less any distributions made to such Bank Product Provider on account thereof). Borrower may obtain Bank Products from any Bank Product Provider, although Borrower is not required to do so. Borrower acknowledges and agrees that no Bank Product Provider has committed to provide any Bank Products and that the providing of Bank Products by any Bank Product Provider is in the sole and absolute discretion of such Bank Product Provider. Notwithstanding anything to the contrary in this Agreement or any other Loan Document, no provider or holder of any Bank Product shall have any voting or approval rights hereunder (or be deemed a Lender) solely by virtue of its status as the provider or holder of such agreements or products or the Obligations owing thereunder, nor shall the consent of any such provider or holder be required (other than in their capacities as Lenders, to the extent applicable) for any matter hereunder or under any of the other Loan Documents, including as to any matter relating to the Collateral or the release of Collateral or Guarantors.

17.6. Debtor-Creditor Relationship. The relationship between the Lenders and Agent, on the one hand, and the Loan Parties, on the other hand, is solely that of creditor and debtor. No member of the Lender Group has (or shall be deemed to have) any fiduciary relationship or duty to any Loan Party arising out of or in connection with the Loan Documents or the transactions contemplated thereby, and there is no agency or joint venture relationship between the members of the Lender Group, on the one hand, and the Loan Parties, on the other hand, by virtue of any Loan Document or any transaction contemplated therein.

17.7. Counterparts; Electronic Execution. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other Loan Document *mutatis mutandis*.

17.8. Revival and Reinstatement of Obligations; Certain Waivers.

(a) If any member of the Lender Group or any Bank Product Provider repays, refunds, restores, or returns in whole or in part, any payment or property (including any proceeds of Collateral) previously paid or transferred to such member of the Lender Group or such Bank Product Provider in full or partial satisfaction of any Obligation or on account of any other obligation of any Loan Party under any Loan Document or any Bank Product Agreement, because the payment, transfer, or the incurrence of the obligation so satisfied is asserted or declared to be void, voidable, or otherwise recoverable under any law relating to creditors' rights, including provisions of the Bankruptcy Code relating to fraudulent transfers, preferences, or other voidable or recoverable obligations or transfers (each, a "Voidable Transfer"), or because such member of the Lender Group or Bank Product Provider elects to do so on the reasonable

advice of its counsel in connection with a claim that the payment, transfer, or incurrence is or may be a Voidable Transfer, then, as to any such Voidable Transfer, or the amount thereof that such member of the Lender Group or Bank Product Provider elects to repay, restore, or return (including pursuant to a settlement of any claim in respect thereof), and as to all reasonable costs, expenses, and attorneys' fees of such member of the Lender Group or Bank Product Provider related thereto, (i) the liability of the Loan Parties with respect to the amount or property paid, refunded, restored, or returned will automatically and immediately be revived, reinstated, and restored and will exist and (ii) Agent's Liens securing such liability shall be effective, revived, and remain in full force and effect, in each case, as fully as if such Voidable Transfer had never been made. If, prior to any of the foregoing, (A) Agent's Liens shall have been released or terminated or (B) any provision of this Agreement shall have been terminated or cancelled, Agent's Liens, or such provision of this Agreement, shall be reinstated in full force and effect and such prior release, termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligation of any Loan Party in respect of such liability or any Collateral securing such liability.

(b) Anything to the contrary contained herein notwithstanding, if Agent or any Lender accepts a guaranty of only a portion of the Obligations pursuant to any guaranty, Borrower hereby waives its right under Section 2822(a) of the California Civil Code or any similar laws of any other applicable jurisdiction to designate the portion of the Obligations satisfied by the applicable guarantor's partial payment.

17.9. Confidentiality.

(a) Agent and Lenders each individually (and not jointly or jointly and severally) agree that material, non-public information regarding Borrower and its Subsidiaries, their operations, assets, and existing and contemplated business plans ("Confidential Information") shall be treated by Agent and the Lenders in a confidential manner, and shall not be disclosed by Agent and the Lenders to Persons who are not parties to this Agreement, except: (i) to attorneys for and other advisors, accountants, auditors, and consultants to any member of the Lender Group and to employees, directors and officers of any member of the Lender Group (the Persons in this clause (i), "Lender Group Representatives") on a "need to know" basis in connection with this Agreement and the transactions contemplated hereby and on a confidential basis, (ii) to Subsidiaries and Affiliates of any member of the Lender Group (including the Bank Product Providers), provided that any such Subsidiary or Affiliate shall have agreed to receive such information hereunder subject to the terms of this Section 17.9, (iii) as may be required by regulatory authorities so long as such authorities are informed of the confidential nature of such information, (iv) as may be required by statute, decision, or judicial or administrative order, rule, or regulation; provided that (x) prior to any disclosure under this clause (iv), the disclosing party agrees to provide Borrower with prior notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior notice to Borrower pursuant to the terms of the applicable statute, decision, or judicial or administrative order, rule, or regulation and (y) any disclosure under this clause (iv) shall be limited to the portion of the Confidential Information as may be required by such statute, decision, or judicial or administrative order, rule, or regulation, (v) as may be agreed to in advance in writing by Borrower, (vi) as requested or required by any Governmental Authority pursuant to any subpoena or other legal process, provided, that, (x) prior to any disclosure under this clause (vi) the disclosing party agrees to provide Borrower with prior written notice thereof, to the

extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior written notice to Borrower pursuant to the terms of the subpoena or other legal process and (y) any disclosure under this clause (vi) shall be limited to the portion of the Confidential Information as may be required by such Governmental Authority pursuant to such subpoena or other legal process, (vii) as to any such information that is or becomes generally available to the public (other than as a result of prohibited disclosure by Agent or the Lenders or the Lender Group Representatives), (viii) in connection with any assignment, participation or pledge of any Lender's interest under this Agreement, provided that prior to receipt of Confidential Information any such assignee, participant, or pledgee shall have agreed in writing to receive such Confidential Information either subject to the terms of this Section 17.9 or pursuant to confidentiality requirements substantially similar to those contained in this Section 17.9 (and such Person may disclose such Confidential Information to Persons employed or engaged by them as described in clause (i) above), (ix) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding involves claims related to the rights or duties of such parties under this Agreement or the other Loan Documents; provided, that, prior to any disclosure to any Person (other than any Loan Party, Agent, any Lender, any of their respective Affiliates, or their respective counsel) under this clause (ix) with respect to litigation involving any Person (other than Borrower, Agent, any Lender, any of their respective Affiliates, or their respective counsel), the disclosing party agrees to provide Borrower with prior written notice thereof, (x) in connection with, and to the extent reasonably necessary for, the exercise of any secured creditor remedy under this Agreement or under any other Loan Document and (xi) in connection with any public filing required under applicable law or regulation as determined in the reasonable discretion of Agent or any Lender.

(b) Anything in this Agreement to the contrary notwithstanding, Agent and Lenders may disclose information concerning the terms and conditions of this Agreement and the other Loan Documents to loan syndication and pricing reporting services or in its marketing or promotional materials, with such information to consist of deal terms and other information customarily found in such publications or marketing or promotional materials and may otherwise use the name, logos, and other insignia of Borrower or the other Loan Parties and the Commitments provided hereunder in any "tombstone" or other advertisements, on its website or in other marketing materials of the Agent.

(c) The Loan Parties hereby acknowledge that Agent or its Affiliates may make available to the Lenders materials or information provided by or on behalf of Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks, SyndTrak or another similar electronic system (the "Platform") and certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Loan Parties or their securities) (each, a "Public Lender"). The Loan Parties shall be deemed to have authorized Agent and its Affiliates and the Lenders to treat Borrower Materials marked "PUBLIC" or otherwise at any time filed with the SEC as not containing any material non-public information with respect to the Loan Parties or their securities for purposes of United States federal and state securities laws. All Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated as "Public Investor" (or another similar term). Agent and its Affiliates and the Lenders shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" or that

are not at any time filed with the SEC as being suitable only for posting on a portion of the Platform not marked as "Public Investor" (or such other similar term).

17.10. Survival. All representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that Agent, Issuing Bank, or any Lender may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of, or any accrued interest on, any Loan or any fee or any other amount payable under this Agreement is outstanding or unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or been terminated.

17.11. Patriot Act. Each Lender that is subject to the requirements of the Patriot Act hereby notifies Borrower that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow such Lender to identify Borrower in accordance with the Patriot Act. In addition, if Agent is required by law or regulation or internal policies to do so, it shall have the right to periodically conduct (a) Patriot Act searches, OFAC/PEP searches, and customary individual background checks for the Loan Parties and (b) OFAC/PEP searches and customary individual background checks for the Loan Parties' senior management and key principals, and Borrower agrees to cooperate in respect of the conduct of such searches and further agrees that the reasonable costs and charges for such searches shall constitute Lender Group Expenses hereunder and be for the account of Borrower.

17.12. Integration. This Agreement, together with the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof. The foregoing to the contrary notwithstanding, all Bank Product Agreements, if any, are independent agreements governed by the written provisions of such Bank Product Agreements, which will remain in full force and effect, unaffected by any repayment, prepayments, acceleration, reduction, increase, or change in the terms of any credit extended hereunder, except as otherwise expressly provided in such Bank Product Agreement.

17.13. Amendment and Restatement of Existing Credit Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and by the other Loan Documents are not intended by the parties to be, and shall not constitute, a novation or an accord and satisfaction of the Obligations or any other obligations owing to Agent or the Lenders under the Existing Credit Agreement or any other existing Loan Document. On the Closing Date, the credit facilities and the terms and conditions thereof described in the Existing Credit Agreement shall be amended and replaced in their entirety by the credit facilities and the terms and conditions described herein, and all Loans, Letters of Credit, and other Obligations of each Borrower outstanding as of such date under the Existing Credit Agreement shall be deemed to be Loans, Letters of Credit, and other Obligations outstanding under the

corresponding facilities described herein (such that all Obligations which are outstanding on the Closing Date under the Existing Credit Agreement shall become Obligations under this Agreement), without further action by any Person. Each of the parties hereto hereby acknowledges and agrees that the reaffirmation of the grant of the security interests in the Collateral pursuant to the Guaranty and Security Agreement and in any other Loan Document is not intended to constitute, nor shall it be construed as constituting, a release of any prior security interests granted by any Loan Party in favor of Agent for the benefit of itself, the Lenders, and the Bank Product Providers in or to any Collateral or any other assets of the Loan Parties, but is intended to constitute a restatement and reconfirmation of the existing security interests granted by each Loan Party in favor of Agent for the benefit of itself, the Lenders, and the Bank Product Providers in and to the Collateral. As a material part of the consideration for Agent and Lenders entering into this Agreement and in order to induce Lenders to extend credit pursuant to this Agreement, on the date hereof each Loan Party hereby releases and forever discharges Agent and each Lender (under the Existing Credit Agreement) and their directors, officers, employees, agents, attorneys, affiliates, subsidiaries, successors and assigns from any and all liabilities, obligations, actions, contracts, claims, causes of action, damages, demands, costs and expenses whatsoever (collectively "**Current Claims**"), of every kind and nature, however evidenced or created, whether known or unknown, arising prior to the Closing Date involving the extension of credit under or administration of the Existing Credit Agreement or any other Loan Documents (as defined in the Existing Credit Agreement), the Obligations (as defined in the Existing Credit Agreement) incurred prior to the Closing Date by Borrowers or any other transactions evidenced by the Existing Credit Agreement or the Loan Documents (as defined in the Existing Credit Agreement). Upon the effectiveness of this Agreement on the Closing Date, the Lenders hereby agree to make such inter-Lender assignments among themselves on the Closing Date as may be required to cause the Revolving Loan Commitment, Term Loans and Term Loan Commitments with respect to the Additional Term Loan Advance of each Lender as of the Closing Date to match the Revolving Loan Commitments, Term Loan and Additional Term Loan Advance set forth on Schedule C-1 to this Agreement. On the Closing Date, each Lender agrees that such Lender holds the Commitments and Loans set forth on Schedule C-1 to this Agreement.

17.14. Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(i) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(ii) the effects of any Bail-in Action on any such liability, including, if applicable:

(A) a reduction in full or in part or cancellation of any such liability;

(B) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

[Signature pages to follow.]

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

BORROWER:

ASURE SOFTWARE, INC.,
a Delaware corporation

By: /s/ Patrick Goepel
Name: Patrick Goepel
Title: Chief Executive Officer

WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as Agent and as a Lender

By: /s/ Brad Blakey
Name: Brad Blakey
Title: Vice President

GOLDMAN SACHS SPECIALTY LENDING HOLDINGS, INC., as a Lender

By: /s/ Stephen W. Hipp
Name: Stephen W. Hipp
Title: Senior Vice President

SCHEDULE 1.1

As used in the Agreement, the following terms shall have the following definitions:

"Accounting Changes" means changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants (or successor thereto or any agency with similar functions).

"Acquired Indebtedness" means Indebtedness of a Person whose assets or Equity Interests are acquired by Borrower or any of its Subsidiaries in a Permitted Acquisition; provided, that such Indebtedness (a) is either purchase money Indebtedness or a Capital Lease with respect to Equipment or mortgage financing with respect to Real Property, (b) was in existence prior to the date of such Permitted Acquisition, and (c) was not incurred in connection with, or in contemplation of, such Permitted Acquisition.

"Acquisition" means (a) the purchase or other acquisition by a Person or its Subsidiaries of all or substantially all of the assets of (or any division or business line of) any other Person, or (b) the purchase or other acquisition (whether by means of a merger, consolidation, or otherwise) by a Person or its Subsidiaries of all or substantially all of the Equity Interests of any other Person.

"Additional Documents" has the meaning specified therefor in Section 5.12 of the Agreement.

"Additional Portion of the Term Loan" and "Additional Portion of the Term Loans" have the respective meanings specified therefor in Section 2.14 of the Agreement.

"Additional Term Loan Advance" means an additional advance of $40,776,562.52 (which shall be added to, and be part of, the Term Loan) to be made on the Closing Date.

"Administrative Questionnaire" has the meaning specified therefor in Section 13.1(a) of the Agreement.

"Affected Lender" has the meaning specified therefor in Section 2.13(b) of the Agreement.

"Affiliate" means, as applied to any Person, any other Person who controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" means the possession, directly or indirectly through one or more intermediaries, of the power to direct the management and policies of a Person, whether through the ownership of Equity Interests, by contract, or otherwise; provided, that, for purposes of Section 6.10 of the Agreement: (a) any Person which owns directly or indirectly 10% or more of the Equity Interests having ordinary voting power for the election of directors or other members of the governing body of a Person or 10% or more of the partnership or other ownership interests of a Person (other than as a limited partner of such Person) shall be deemed an Affiliate of such Person, (b) each director (or comparable manager) of a Person shall be deemed to be an Affiliate of such

Person, and (c) each partnership in which a Person is a general partner shall be deemed an Affiliate of such Person.

"Agent" has the meaning specified therefor in the preamble to the Agreement.

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

"Agent's Account" means the Deposit Account of Agent identified on Schedule A-1 to the Agreement (or such other Deposit Account of Agent that has been designated as such, in writing, by Agent to Borrower and the Lenders).

"Agent's Liens" means the Liens granted by Borrower or its Subsidiaries to Agent under the Loan Documents and securing the Obligations.

"Agreement" means the Amended and Restated Credit Agreement to which this Schedule 1.1 is attached.

"Agreement Among Lenders" means that certain Agreement Among Lenders dated as of the Closing Date among Agent and each Lender, pursuant to which such parties have agreed, among other things, to certain voting arrangements relative to matters requiring the approval of the Lenders (including the exercise of remedies), the priority and application of certain payments and proceeds of Collateral, and certain pricing arrangements.

"Anti-Corruption Laws" means (a) the US Foreign Corrupt Practices Act of 1977, (b) the UK Bribery Act 2010, (c) Canadian Anti-Money Laundering & Anti-Terrorism legislation, (d) Canadian Economic Sanctions and Export Control Laws, and (e) any similar applicable laws or regulations in the United States, Canada, the United Kingdom, the European Union or any jurisdiction applicable to any Loan Party or any of its Subsidiaries that relate to bribery or corruption.

"Anti-Money Laundering Laws" means applicable laws or regulations in any jurisdiction applicable to any Loan Party or any of its Subsidiaries that relate to terrorism financing or money laundering.

"Applicable Margin" means, as of any date of determination and with respect to Base Rate Loans or LIBOR Rate Loans, as applicable, subject to the Agreement Among Lenders applicable margin set forth in the following table that corresponds to the most recent Leverage Ratio calculation delivered to Agent pursuant to Section 5.1 of the Agreement (the "Leverage Ratio Calculation"); provided further, that any time an Event of Default has occurred and is continuing, the Applicable Margin shall be set at the margin in the row styled "Level II":

Level	Leverage Ratio Calculation	Applicable Margin Relative to First Out Base Rate Loans (the "First Out Base Rate Margin")	Applicable Margin Relative to First Out LIBOR Rate Loans (the "First Out LIBOR Rate Margin")	Applicable Margin Relative to Last Out Base Rate Loans (the "Last Out Base Rate Margin")	Applicable Margin Relative to Last Out LIBOR Rate Loans (the "Last Out LIBOR Rate Margin")
I	If the Leverage Ratio is less than or equal to 3.25:1.00	2.00 percentage points	3.00 percentage points	7.00 percentage points	8.00 percentage points
II	If the Leverage Ratio is greater than 3.25:1.00	2.50 percentage points	3.50 percentage points	7.50 percentage points	8.50 percentage points

Except as set forth in the foregoing proviso, the Applicable Margin shall be based upon the most recent Leverage Ratio Calculation, which will be calculated as of the end of each fiscal quarter. Except as set forth in the foregoing proviso, the Applicable Margin shall be re-determined quarterly on the first day of the month following the date of delivery to Agent of the certified calculation of the Leverage Ratio pursuant to Section 5.1 of the Agreement; provided, that if Borrower fails to provide such certification when such certification is due, the Applicable Margin shall be set at the margin in the row styled "Level II" as of the first day of the month following the date on which the certification was required to be delivered until the date on which such certification is delivered (on which date (but not retroactively), without constituting a waiver of any Default or Event of Default occasioned by the failure to timely deliver such certification, the Applicable Margin shall be set at the margin based upon the calculations disclosed by such certification. In the event that the information regarding the Leverage Ratio contained in any certificate delivered pursuant to Section 5.1 of the Agreement is shown to be inaccurate, and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period (an "Applicable Period") than the Applicable Margin actually applied for such Applicable Period, then (i) Borrower shall immediately deliver to Agent a correct certificate for such Applicable Period, (ii) the Applicable Margin shall be determined as if the correct Applicable Margin (as set forth in the table above) were applicable for such Applicable Period, and (iii) Borrower shall immediately deliver to Agent full payment in respect of the accrued additional interest as a result of such increased Applicable Margin for such Applicable Period, which payment shall be promptly applied by Agent to the affected Obligations.

"Application Event" means the occurrence of (a) a failure by Borrower to repay all of the Obligations in full on the Maturity Date, or (b) an Event of Default and the election by Agent or the Required Lenders to require that payments and proceeds of Collateral be applied pursuant to Section 2.4(b)(ii) of the Agreement.

"Assignee" has the meaning specified therefor in Section 13.1(a) of the Agreement.

"Assignment and Acceptance" means an Assignment and Acceptance Agreement substantially in the form of Exhibit A-1 to the Agreement.

"Authorized Person" means any one of the individuals identified on Schedule A-2 to the Agreement, as such schedule is updated from time to time by written notice from Borrower to Agent.

"Availability" means, as of any date of determination, the amount that Borrower is entitled to borrow as Revolving Loans under Section 2.1 of the Agreement (after giving effect to the then outstanding Revolver Usage).

"Available Increase Amount" means, as of any date of determination, an amount equal to the result of (a) $10,000,000 minus (b) the aggregate principal amount of Increases to the Term Loan Amount previously made pursuant to Section 2.14 of the Agreement.

"Bail-in Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-in Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bank Product" means any one or more of the following financial products or accommodations extended to Borrower or its Subsidiaries by a Bank Product Provider: (a) credit cards (including commercial cards (including so-called "purchase cards", "procurement cards" or "p-cards")), (b) credit card processing services, (c) debit cards, (d) stored value cards, (e) Cash Management Services, or (f) transactions under Hedge Agreements.

"Bank Product Agreements" means those agreements entered into from time to time by Borrower or its Subsidiaries with a Bank Product Provider in connection with the obtaining of any of the Bank Products.

"Bank Product Collateralization" means providing cash collateral (pursuant to documentation reasonably satisfactory to Agent) to be held by Agent for the benefit of the Bank Product Providers (other than the Hedge Providers) in an amount determined by Agent as sufficient to satisfy the reasonably estimated credit exposure with respect to the then existing Bank Product Obligations (other than Hedge Obligations).

"Bank Product Obligations" means (a) all obligations, liabilities, reimbursement obligations, fees, or expenses owing by Borrower or its Subsidiaries to any Bank Product Provider pursuant to or evidenced by a Bank Product Agreement and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, (b) all Hedge Obligations, and (c) all amounts that Agent or any Lender is obligated to pay to a Bank Product Provider as a result of Agent or such Lender purchasing participations from, or executing guarantees or indemnities or reimbursement obligations to, a Bank Product Provider with respect to the Bank Products provided by such Bank Product Provider to Borrower or its Subsidiaries.

"Bank Product Provider" means Wells Fargo or any of its Affiliates, including each of the foregoing in its capacity, if applicable, as a Hedge Provider.

"Bank Product Reserves" means, as of any date of determination, those reserves that Agent deems necessary or appropriate to establish (based upon the Bank Product Providers' determination of the liabilities and obligations of Borrower and its Subsidiaries in respect of Bank Product Obligations) in respect of Bank Products then provided or outstanding.

"Bankruptcy Code" means title 11 of the United States Code, as in effect from time to time.

"Base Rate" means the greatest of (a) 2.00 percent *per annum*, (b) the Federal Funds Rate plus ½%, (c) the LIBOR Rate (which rate shall be calculated based upon an Interest Period of 1 month and shall be determined on a daily basis), plus 1 percentage point, and (d) the rate of interest announced, from time to time, within Wells Fargo at its principal office in San Francisco as its "prime rate", with the understanding that the "prime rate" is one of Wells Fargo's base rates (not necessarily the lowest of such rates) and serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto and is evidenced by the recording thereof after its announcement in such internal publications as Wells Fargo may designate.

"Base Rate Loan" means each portion of the Revolving Loans or the Term Loan that bears interest at a rate determined by reference to the Base Rate.

"Base Rate Margin" has the meaning set forth in the definition of Applicable Margin.

"Benefit Plan" means a "defined benefit plan" (as defined in Section 3(35) of ERISA) for which Borrower or any of its Subsidiaries or ERISA Affiliates has been an "employer" (as defined in Section 3(5) of ERISA) within the past six years.

"Board of Directors" means, as to any Person, the board of directors (or comparable managers) of such Person, or any committee thereof duly authorized to act on behalf of the board of directors (or comparable managers).

"Board of Governors" means the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Borrower" has the meaning specified therefor in the preamble to the Agreement.

"Borrower Materials" has the meaning specified therefor in Section 17.9(c) of the Agreement.

"Borrowing" means a borrowing consisting of Revolving Loans made on the same day by the Lenders (or Agent on behalf thereof), or by Swing Lender in the case of a Swing Loan, or by Agent in the case of a Protective Advance.

"Business Day" means any day that is not a Saturday, Sunday, or other day on which banks are authorized or required to close in the state of California, except that, if a determination of a Business Day shall relate to a LIBOR Rate Loan, the term "Business Day" also shall exclude any day on which banks are closed for dealings in Dollar deposits in the London interbank market.

"Capital Expenditures" means, with respect to any Person for any period, the amount of all expenditures by such Person and its Subsidiaries during such period that are capital expenditures as determined in accordance with GAAP, whether such expenditures are paid in cash or financed, but excluding, without duplication (a) expenditures made during such period in connection with the replacement, substitution, or restoration of assets or properties pursuant to Section 2.4(e)(ii) of the Agreement, (b) with respect to the purchase price of assets that are purchased substantially contemporaneously with the trade-in of existing assets during such period, the amount that the gross amount of such purchase price is reduced by the credit granted by the seller of such assets for the assets being traded in at such time, (c) expenditures made during such period to consummate one or more Permitted Acquisitions, (d) capitalized software development costs to the extent such costs are deducted from net earnings under the definition of EBITDA for such period, and (e) expenditures during such period that, pursuant to a written agreement, are reimbursed by a third Person (excluding Borrower or any of its Affiliates).

"Capitalized Lease Obligation" means that portion of the obligations under a Capital Lease that is required to be capitalized in accordance with GAAP.

"Capital Lease" means a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

"Cash Equivalents" means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within 1 year from the date of acquisition thereof, (b) marketable direct obligations issued or fully guaranteed by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within 1 year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor's Rating Group ("S&P") or Moody's Investors Service, Inc. ("Moody's"), (c) commercial paper maturing no more than 270 days from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody's, (d) certificates of deposit, time deposits, overnight bank deposits or bankers' acceptances maturing within 1 year from the date of acquisition thereof issued by any bank organized under the laws of the United States or any state thereof or the District of Columbia or any United States branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than $1,000,000,000, (e) Deposit Accounts maintained with (i) any bank that satisfies the criteria described in clause (d) above, or (ii) any other bank organized under the laws of the United States or any state thereof so long as the full amount maintained with any such other bank is insured by the Federal Deposit Insurance Corporation, (f) repurchase obligations of any commercial bank satisfying the requirements of clause (d) of this definition or recognized securities dealer having combined capital and surplus of not less than $1,000,000,000, having a term of not more than seven days, with respect to securities satisfying the criteria in clauses (a) or (d) above, (g) debt securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the criteria described in clause (d) above, and (h) Investments in money market funds substantially all of whose assets are invested in the types of assets described in clauses (a) through (g) above.

"Cash Management Services" means any cash management or related services including treasury, depository, return items, overdraft, controlled disbursement, merchant store value cards, e-payables services, electronic funds transfer, interstate depository network, automatic clearing house transfer (including the Automated Clearing House processing of electronic funds transfers through the direct Federal Reserve Fedline system) and other cash management arrangements.

"CFC" means a Person that is a controlled foreign corporation under Section 957 of the IRC.

"Change of Control" means that:

(a) any Person or two or more Persons acting in concert (other than the Permitted Holders), shall have acquired beneficial ownership, directly or indirectly, of Equity Interests of Borrower (or other securities convertible into such Equity Interests) representing 30% or more of the combined voting power of all Equity Interests of Borrower entitled (without regard to the occurrence of any contingency) to vote for the election of members of the Board of Directors of Borrower; or

(b) any Person or two or more Persons acting in concert (other than the Permitted Holders), shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation thereof, will result in its or their acquisition of the power to exercise, directly or indirectly, a controlling influence over the management or policies of Borrower or control over the Equity Interests of such Person entitled to vote for members of the Board of Directors of Borrower on a fully-diluted basis (and taking into account all such Equity Interests that such Person or group has the right to acquire pursuant to any option right) representing 30% or more of the combined voting power of such Equity Interests; or

(c) during any period of 24 consecutive months commencing on or after the Closing Date, the occurrence of a change in the composition of the Board of Directors of Borrower such that a majority of the members of such Board of Directors are not Continuing Directors; or

(d) Borrower fails to own and control, directly or indirectly, 100% of the Equity Interests of each other Loan Party.

"Change in Law" means the occurrence after the date of the Agreement of: (a) the adoption or effectiveness of any law, rule, regulation, judicial ruling, judgment or treaty, (b) any change in any law, rule, regulation, judicial ruling, judgment or treaty or in the administration, interpretation, implementation or application by any Governmental Authority of any law, rule, regulation, guideline or treaty, or (c) the making or issuance by any Governmental Authority of any request, rule, guideline or directive, whether or not having the force of law; provided that notwithstanding anything in the Agreement to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives concerning capital adequacy promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign

regulatory authorities shall, in each case, be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"Closing Date" means the date on which Agent sends Borrower a written notice that each of the conditions precedent set forth on Schedule 3.1 either have been satisfied or have been waived.

"Code" means the California Uniform Commercial Code, as in effect from time to time.

"Collateral" means all assets and interests in assets and proceeds thereof now owned or hereafter acquired by Borrower or its Subsidiaries in or upon which a Lien is granted by such Person in favor of Agent or the Lenders under any of the Loan Documents.

"Collateral Access Agreement" means a landlord waiver, bailee letter, or acknowledgement agreement of any lessor, warehouseman, processor, consignee, or other Person in possession of, having a Lien upon, or having rights or interests in Borrower's or its Subsidiaries' books and records, Equipment, or Inventory, in each case, in form and substance reasonably satisfactory to Agent.

"Commitment" means, with respect to each Lender, its Revolver Commitment or its Term Loan Commitment, as the context requires, and, with respect to all Lenders, their Revolver Commitments or their Term Loan Commitments, as the context requires, in each case as such Dollar amounts are set forth beside such Lender's name under the applicable heading on Schedule C-1 to the Agreement or in the Assignment and Acceptance pursuant to which such Lender became a Lender under the Agreement, as such amounts may be reduced or increased from time to time pursuant to assignments made in accordance with the provisions of Section 13.1 of the Agreement.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Compass Acquisition" means, collectively, the Acquisition consummated pursuant to the Compass Purchase Agreements.

"Compass Purchase Agreement" means that certain Stock Purchase Agreement dated as of the Closing Date, among Compass HRM, Inc., John F. Gibbons, Joshua Gibbons, Jonathan S. Gibbons, Jonathan S. Gibbons, as seller representative, and Borrower, in each case, as amended, modified, supplemented, or restated and in effect from time to time in accordance with the terms of the Compass Subordinated Note.

"Compass Subordinated Note" means that certain Secured Subordinated Promissory Note dated as of the Closing Date by Borrower issued to the order of Jonathan S. Gibbons, as seller representative, in the original principal amount of $1,500,000, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"Compliance Certificate" means a certificate substantially in the form of Exhibit C-1 to the Agreement delivered by the chief financial officer of Borrower to Agent.

"Confidential Information" has the meaning specified therefor in Section 17.9(a) of the Agreement.

"Continuing Director" means (a) any member of the Board of Directors who was a director (or comparable manager) of Borrower on the Closing Date, and (b) any individual who becomes a member of the Board of Directors after the Closing Date if such individual was approved, appointed or nominated for election to the Board of Directors by either the Permitted Holders or a majority of the Continuing Directors, but excluding any such individual originally proposed for election in opposition to the Board of Directors in office at the Closing Date in an actual or threatened election contest relating to the election of the directors (or comparable managers) of Borrower and whose initial assumption of office resulted from such contest or the settlement thereof.

"Control Agreement" means a control agreement, in form and substance reasonably satisfactory to Agent, executed and delivered by Borrower or one of its Subsidiaries, Agent, and the applicable securities intermediary (with respect to a Securities Account) or bank (with respect to a Deposit Account).

"Copyright Security Agreement" has the meaning specified therefor in the Guaranty and Security Agreement.

"CPI Acquisition" means the Acquisition consummated pursuant to that certain Asset Purchase Agreement, dated as of January 1, 2017, among Borrower, Corporate Payroll, Inc., an Ohio corporation, CPI-HR Holdings, Inc., an Ohio corporation, and James D. Hopkins, individually, as amended, modified, supplemented, or restated and in effect from time to time in accordance with the terms of the CPI Subordination Agreement.

"CPI Subordinated Note" means that certain Subordinated Promissory Note, dated as of January 1, 2017, by Borrower issued to the order of Corporate Payroll, Inc., an Ohio corporation, in the original principal amount of $500,000, as amended, restated, supplemented or otherwise modified from time to time in accordance with the CPI Subordination Agreement.

"CPI Subordination Agreement" means that certain Subordination Agreement, dated as of January 1, 2017, between Corporate Payroll, Inc., an Ohio corporation, and Agent, as such agreement is amended, restated, supplemented or otherwise modified from time to time.

"Current Assets" means, as at any date of determination, the total assets of Borrower and its Subsidiaries (other than cash and Cash Equivalents) which may properly be classified as current assets on a consolidated balance sheet of Borrower and its Subsidiaries in accordance with GAAP.

"Current Liabilities" means, as at any date of determination, the total liabilities of Borrower and its Subsidiaries which may properly be classified as current liabilities (other than the current portion of the Term Loan, the Swing Loans and the Revolving Loans) on a consolidated balance sheet of Borrower and its Subsidiaries in accordance with GAAP.

"Default" means an event, condition, or default that, with the giving of notice, the passage of time, or both, would be an Event of Default.

"Defaulting Lender" means any Lender that (a) has failed to fund any amounts required to be funded by it under the Agreement within 1 Business Day of the date that it is required to do so under the Agreement (including the failure to make available to Agent amounts required pursuant to a Settlement or to make a required payment in connection with a Letter of Credit Disbursement), (b) notified the Borrower, Agent, or any Lender in writing that it does not intend to comply with all or any portion of its funding obligations under the Agreement, (c) has made a public statement to the effect that it does not intend to comply with its funding obligations under the Agreement or under other agreements generally (as reasonably determined by Agent) under which it has committed to extend credit, (d) failed, within 1 Business Day after written request by Agent, to confirm that it will comply with the terms of the Agreement relating to its obligations to fund any amounts required to be funded by it under the Agreement, (e) otherwise failed to pay over to Agent or any other Lender any other amount required to be paid by it under the Agreement within 1 Business Day of the date that it is required to do so under the Agreement, or (f) (i) becomes or is insolvent or has a parent company that has become or is insolvent or (ii) becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, or custodian or appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment.

"Defaulting Lender Rate" means (a) for the first 3 days from and after the date the relevant payment is due, the Base Rate, and (b) thereafter, the interest rate then applicable to Revolving Loans that are Base Rate Loans (inclusive of the Base Rate Margin applicable thereto).

"Deposit Account" means any deposit account (as that term is defined in the Code).

"Designated Account" means the Deposit Account of Borrower identified on Schedule D-1 to the Agreement (or such other Deposit Account of Borrower located at Designated Account Bank that has been designated as such, in writing, by Borrower to Agent).

"Designated Account Bank" has the meaning specified therefor in Schedule D-1 to the Agreement (or such other bank that is located within the United States that has been designated as such, in writing, by Borrower to Agent).

"Disbursement Agreement" means a disbursement instruction letter, dated as of even date herewith, in form and substance reasonably satisfactory to Agent, executed and delivered by Borrower.

"Disqualified Equity Interests" shall mean any Equity Interest that, by its terms (or by the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Qualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall

be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) is redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests), in whole or in part, (c) provides for the scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 180 days after the Maturity Date.

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

"Drawing Document" means any Letter of Credit or other document presented for purposes of drawing under any Letter of Credit.

"Earn-Outs" shall mean unsecured liabilities of a Loan Party arising under an agreement to make any deferred payment as a part of the Purchase Price for a Permitted Acquisition, including performance bonuses or consulting payments in any related services, employment or similar agreement, in an amount that is subject to or contingent upon the revenues, income, cash flow or profits (or the like) of the target of such Permitted Acquisition.

"EBITDA" means, with respect to any fiscal period:

(a) Borrower's consolidated net earnings (or loss),

minus

(b) without duplication, the sum of the following amounts of Borrower for such period to the extent included in determining consolidated net earnings (or loss) for such period:

(i) any extraordinary, unusual, or non-recurring gains,

(ii) interest income,

(iii) any software development costs to the extent capitalized during such period,

(iv) exchange, translation or performance gains relating to any hedging transactions or foreign currency fluctuations, and

(v) income arising by reason of the application of FAS 141R,

plus

(c) without duplication, the sum of the following amounts of Borrower for such period to the extent included in determining consolidated net earnings (or loss) for such period:

(i) any extraordinary, unusual, or non-recurring non-cash losses,

(ii) Interest Expense,

(iii) Tax expense based on income, profits or capital, including federal, foreign, state, franchise and similar Taxes (and for the avoidance of doubt, specifically excluding any sales Taxes or any other Taxes held in trust for a Governmental Authority),

(iv) depreciation and amortization for such period,

(v) with respect to any Permitted Acquisition after the Closing Date, costs, fees, charges, or expenses consisting of out-of-pocket expenses owed by Borrower or any of its Subsidiaries to any Person for services performed by such Person in connection with such Permitted Acquisition incurred within 180 days (Borrower may request an addback for such expenses incurred after 180 days but within 365 days in Agent's sole discretion) of the consummation of such Permitted Acquisition, (i) up to an aggregate amount (for all such items in this clause (v)) for such Permitted Acquisition not to exceed the greater of (1) $500,000 and (2) 5.0% of the Purchase Price of such Permitted Acquisition and (ii) in any amount to the extent such costs, fees, charges, or expenses in this clause (v) are paid with proceeds of new equity investments in exchange for Qualified Equity Interests of Borrower contemporaneously made by Permitted Holders,

(vi) with respect to any Permitted Acquisitions after the Closing Date: (A) purchase accounting adjustments, including, without limitation, a dollar for dollar adjustment for that portion of revenue that would have been recorded in the relevant period had the balance of deferred revenue (unearned income) recorded on the closing balance sheet and before application of purchase accounting not been adjusted downward to fair value to be recorded on the opening balance sheet in accordance with GAAP purchase accounting rules; and (B) non-cash adjustments in accordance with GAAP purchase accounting rules under FASB Statement No. 141 and EITF Issue No. 01-3, in the event that such an adjustment is required by Borrower's independent auditors, in each case, as determined in accordance with GAAP,

(vii) fees, costs, charges and expenses, in respect of Earn-Outs incurred in connection with any Permitted Acquisition to the extent permitted to be incurred under the Agreement that are required by the application of FAS 141R to be and are expensed by Borrower and its Subsidiaries,

(viii) non-cash compensation expense (including deferred non-cash compensation expense), or other non-cash expenses or charges, arising from the sale or issuance of Equity Interests, the granting of stock options, and the granting of stock appreciation rights and similar arrangements (including any repricing, amendment, modification, substitution, or change of any such Equity Interests, stock option, stock appreciation rights, or similar arrangements) minus the amount of any such expenses or charges when paid in cash to the extent not deducted in the computation of net earnings (or loss),

(ix) one-time non-cash restructuring charges,

(x) non-cash exchange, translation, or performance losses relating to any hedging transactions or foreign currency fluctuations,

(xi) non-cash losses on sales of fixed assets or write-downs of fixed or intangible assets,

(xii) with respect to the Specified Acquisitions, Specified Acquisition Charges, up to an aggregate amount (for all such items in this clause (xii)) not to exceed $800,000 for Specified Acquisitions Charges during the fiscal quarter ending September 30, 2017 and not to exceed $350,000 in the aggregate thereafter,

(xiii) fees, costs, charges and expenses, in respect for the Specified Equity Insurance, to the extent incurred within 180 days of the consummation of the Specified Equity Insurance, up to an aggregate amount (for all such items in this clause (xv)) not to exceed $250,000, and

(xiv) an amount with respect to the fiscal quarter ending September 30, 2017, with respect to actual cost savings from headcount reductions executed but not yet fully realized through the quarter-end financial statements in connection with the Compass Acquisition and/or the iSystems Acquistion, up to an aggregate amount (for all such items in this clause (xvi)) not to exceed $625,000,

For the purposes of calculating EBITDA for any period of 4 consecutive fiscal quarters (each, a "Reference Period"), (a) if at any time during such Reference Period (and after the Closing Date), Borrower or any of its Subsidiaries shall have made a Permitted Acquisition, EBITDA for such Reference Period shall be calculated after giving *pro forma* effect thereto (including *pro forma* adjustments arising out of events which are directly attributable to such Permitted Acquisition, are factually supportable, and are expected to have a continuing impact, in each case to be agreed by Agent) or in such other manner acceptable to Agent as if any such Permitted Acquisition or adjustment occurred on the first day of such Reference Period, (b) EBITDA for the fiscal quarter ended September 30, 2016, shall be deemed to be $4,039,250 (c) EBITDA for the fiscal quarter ended December 31, 2016, shall be deemed to be $3,966,250, and (d) EBITDA for the fiscal quarters ended March 31, 2017 and June 30, 2017, shall be EBITDA computed on a basis consistent with the determination of pre-Closing Date EBITDA for the preceding periods, including with respect to *pro forma* adjustments, (provided that (i) no more than $1,250,000 of adjusted cost savings from headcount reduction executed but not yet fully realized in connection with the Compass Acquisition and/or the iSystems Acquistion shall be attributed to EBITDA for either quarter, (ii) no more than $850,000 of Specified Acquisition Charges shall be attributed to EBITDA for the fiscal quarter ended March 31, 2017 and (iii) no more than $1,650,000 shall be attributed to EBITDA for the fiscal quarter ended June 30, 2017).

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Employee Benefit Plan" means an "employee benefit plan" within the meaning of Section 3(3) of ERISA which any Loan Party establishes for the benefit of its employees or for which any Loan Party has liability to make a contribution, including by reason of being an ERISA Affiliate.

"Environmental Action" means any written complaint, summons, citation, notice, directive, order, claim, litigation, investigation, judicial or administrative proceeding, judgment, letter, or other written communication from any Governmental Authority, or any third party involving violations of Environmental Laws or releases of Hazardous Materials (a) from any assets, properties, or businesses of any Borrower, any Subsidiary of a Borrower, or any of their predecessors in interest, (b) from adjoining properties or businesses, or (c) from or onto any

facilities which received Hazardous Materials generated by any Borrower, any Subsidiary of a Borrower, or any of their predecessors in interest.

"Environmental Law" means any applicable federal, state, provincial, foreign or local statute, law, rule, regulation, ordinance, code, binding and enforceable guideline, binding and enforceable written policy, or rule of common law now or hereafter in effect and in each case as amended, or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, in each case, to the extent binding on Borrower or its Subsidiaries, relating to the environment, the effect of the environment on employee health, or Hazardous Materials, in each case as amended from time to time.

"Environmental Liabilities" means all liabilities, monetary obligations, losses, damages, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts, or consultants, and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest incurred as a result of any claim or demand, or Remedial Action required, by any Governmental Authority or any third party, and which relate to any Environmental Action.

"Environmental Lien" means any Lien in favor of any Governmental Authority for Environmental Liabilities.

"Equipment" means equipment (as that term is defined in the Code).

"Equity Interest" means, with respect to a Person, all of the shares, options, warrants, interests, participations, or other equivalents (regardless of how designated) of or in such Person, whether voting or nonvoting, including capital stock (or other ownership or profit interests or units), preferred stock, or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the Exchange Act).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto.

"ERISA Affiliate" means (a) any Person subject to ERISA whose employees are treated as employed by the same employer as the employees of Borrower or its Subsidiaries under IRC Section 414(b), (b) any trade or business subject to ERISA whose employees are treated as employed by the same employer as the employees of Borrower or its Subsidiaries under IRC Section 414(c), (c) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any organization subject to ERISA that is a member of an affiliated service group of which Borrower or any of its Subsidiaries is a member under IRC Section 414(m), or (d) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any Person subject to ERISA that is a party to an arrangement with Borrower or any of its Subsidiaries and whose employees are aggregated with the employees of Borrower or its Subsidiaries under IRC Section 414(o).

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"European Union" means the European Union, as formed by the Treaty on European Union on November 1, 1993 (the Maastricht Treaty).

"Event of Default" has the meaning specified therefor in Section 8 of the Agreement.

"Excess" has the meaning specified therefor in Section 2.14 of the Agreement.

"Excess Cash Flow" means, with respect to any fiscal period and with respect to Borrower determined on a consolidated basis in accordance with GAAP the result of:

(a) TTM EBITDA,

plus

(b) the sum of

(i) foreign, United States, state, or local Tax refunds,

(ii) interest income,

(iii) post-closing Purchase Price adjustments received in cash during such period in connection with a Permitted Acquisition, and

(iv) the amount of any decrease in Net Working Capital for such period,

minus

(c) the sum of

(i) the cash portion of Interest Expense and loan servicing fees paid during such fiscal period,

(ii) the cash portion of Taxes (on account of income, profits, or capital) paid during such period,

(iii) all scheduled and voluntary principal payments permitted under the Agreement during such period and all voluntary prepayments in respect of the outstanding principal balance of the Term Loan made by Borrower, each to the extent such payments are permitted under the Agreement,

(iv) the cash portion of Capital Expenditures (net of (y) any proceeds reinvested in accordance with the proviso to Section 2.4(e)(ii) of the Agreement, and (z) any proceeds of related financings with respect to such expenditures) made during such period,

(v) the amount of cash items included in the calculation of EBITDA pursuant to clauses (c)(v), (vii), (xii), (xiii), (xiv) and (xv) of the definition of EBITDA for such period (to the extent that the applicable payments are not made with the proceeds of Indebtedness (other than proceeds of Revolving Loans)),

(vi) the distributed earnings of Borrower or its Subsidiaries to the extent that the declaration or payment of dividends or similar distributions by Borrower or such Subsidiary is permitted under the Agreement,

(vii) the amount of any increase in Net Working Capital for such period, and

(viii) any non-cash purchase accounting adjustments with respect to a Permitted Acquisition added to Borrower's net income (or loss) pursuant to clause (c)(vi)(B) of the definition of EBITDA.

"Exchange Act" means the Securities Exchange Act of 1934, as in effect from time to time.

"Excluded Swap Obligation" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason not to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of such Guarantor or the grant of such security interest becomes effective with respect to such related Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient, (a) Taxes imposed on the net income or net profits of any such Recipient (including any branch profits Taxes), in each case (i) imposed by the jurisdiction (or by any political subdivision or Taxing authority thereof) in which such Recipient is organized or the jurisdiction (or by any political subdivision or taxing authority thereof) in which such Recipient's principal office is located in each case as a result of a present or former connection between such Recipient and the jurisdiction or Taxing authority imposing the Tax (other than any such connection arising solely from such Recipient having executed, delivered or performed its obligations or received payment under, or enforced its rights or remedies under the Agreement or any other Loan Document); (ii) United States Taxes resulting from a Lender's or a Participant's failure to comply with the requirements of Section 16.2 of the Agreement, (iii) any United States federal withholding Taxes imposed on amounts payable to a Foreign Lender with respect to an applicable interest in a Loan or Commitment pursuant to the applicable law and based upon the applicable withholding rate in effect at the time such Foreign Lender becomes a party to the Agreement (or designates a new lending office), provided that Excluded Taxes shall not include (A) any amount that such Foreign Lender (or its assignor, if any) was previously entitled to receive pursuant to Section 16.1 of the Agreement, if any, with respect to such withholding Tax at the time such Foreign Lender becomes a party to the Agreement (or designates a new lending office), and (B) additional United States federal withholding Taxes that may be imposed after the time such Foreign Lender becomes a party to the Agreement (or designates a new lending

office), as a result of a change in law, rule, regulation, order or other decision with respect to any of the foregoing by any Governmental Authority, and (iv) any United States federal withholding Taxes imposed under FATCA.

"Existing Letters of Credit" means those letters of credit described on Schedule E-2 to the Agreement.

"Extraordinary Receipts" means (a) so long as no Event of Default has occurred and is continuing, proceeds of judgments, proceeds of settlements, or other consideration of any kind received in connection with any cause of action or claim, and (b) if an Event of Default has occurred and is continuing, any payments received by Borrower or any of its Subsidiaries not in the ordinary course of business (and not consisting of proceeds described in Section 2.4(e)(ii) of the Agreement) consisting of (i) proceeds of judgments, proceeds of settlements, or other consideration of any kind received in connection with any cause of action or claim, (ii) indemnity payments (other than to the extent such indemnity payments are immediately payable to a Person that is not an Affiliate of Borrower or any of its Subsidiaries, and (iii) any purchase price adjustment received in connection with any purchase agreement.

"FATCA" means Sections 1471 through 1474 of the IRC, as of the date of the Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the IRC.

"Fee Letter" means that certain amended and restated fee letter, dated as of even date with the Agreement, between Borrower and Agent, in form and substance reasonably satisfactory to Agent.

"Federal Funds Rate" means, for any period, a fluctuating interest rate *per annum* equal to, for each day during such period, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by Agent from three Federal funds brokers of recognized standing selected by it.

"Federal Tax Lien Reserve" means reserves in the amount of: (a) from the Closing Date until the date that the post-closing covenant set forth in clause (e) of Schedule 3.6 has been completed, $120,000, and (b) thereafter, $0.

"First Out Loan Obligations" has the meaning ascribed to such term in the Agreement Among Lenders.

"First Out Revolver Base Rate Margin" has the meaning specified therefor in the definition of "Applicable Margin".

"First Out Revolver LIBOR Rate Margin" has the meaning specified therefor in the definition of "Applicable Margin".

"First Out Term Loan" has the meaning ascribed to such term in the Agreement Among Lenders.

"First Out TL Base Rate Margin" has the meaning specified therefor in the definition of "Applicable Margin".

"First Out TL LIBOR Rate Margin" has the meaning specified therefor in the definition of "Applicable Margin".

"Fixed Charges" means, with respect to any fiscal period and with respect to Borrower determined on a consolidated basis in accordance with GAAP, the sum, without duplication, of (a) Interest Expense accrued (other than interest paid-in-kind, amortization of financing fees, and other non-cash Interest Expense) during suchmeg period, (b) principal payments in respect of Indebtedness that are required to be paid during such period, other than regularly scheduled payment (but not payments following acceleration) by Borrower (directly or indirectly) of interest and principal on the CPI Subordinated Note, the PMSI Subordinated Note, the PSNW Subordinated Note, the Compass Subordinated Note and the iSystems Subordinated Note, to the extent such payments are permitted to be made under the CPI Subordination Agreement, the PMSI Subordination Agreement, the PSNW Subordination Agreement, the subordination provisions of the Compass Subordinated Note and the iSystems Subordination Agreement, respectively, and (c) all federal, state, and local income Taxes accrued during such period, and (d) all Restricted Payments paid (whether in cash or other property, other than common Equity Interest) during such period; provided that the amounts corresponding to clauses (a) and (b) of this definition shall be annualized during the period of time from the Closing Date through the fiscal quarter ending June 30, 2018.

"Fixed Charge Coverage Ratio" means, with respect to any fiscal period and with respect to Borrower determined on a consolidated basis in accordance with GAAP, the ratio of (a) EBITDA for such period minus Capital Expenditures made (to the extent not already incurred in a prior period) or incurred during such period, to (b) Fixed Charges for such period.

"Foreign Lender" means any Lender or Participant that is not a U.S. Person.

"Funded Indebtedness" means, as of any date of determination, all Indebtedness for borrowed money or letters of credit of Borrower, determined on a consolidated basis in accordance with GAAP, that by its terms matures more than one year after the date of determination, and any such Indebtedness maturing within one year from such date that is renewable or extendable at the option of Borrower or its Subsidiaries, as applicable, to a date more than one year from such date, including, in any event, but without duplication, with respect to Borrower and its Subsidiaries, the Revolver Usage, the Term Loan, and the amount of their Capitalized Lease Obligations.

"Funding Date" means the date on which a Borrowing occurs.

"Funding Losses" has the meaning specified therefor in Section 2.12(b)(ii) of the Agreement.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States, consistently applied.

"Governing Documents" means, with respect to any Person, the certificate or articles of incorporation, by-laws, or other organizational documents of such Person.

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

"GS" means Goldman Sachs Specialty Lending Holdings, Inc., and any permitted assignee that is an Affiliate or Related Fund.

"Guarantor" means (a) each Subsidiary of Borrower, and (b) each other Person that becomes a guarantor after the Closing Date pursuant to Section 5.11 of the Agreement.

"Guaranty and Security Agreement" means the Amended and Restated Guaranty and Security Agreement, dated as of even date with the Agreement, in form and substance reasonably satisfactory to Agent, executed and delivered by Borrower and each of the Guarantors to Agent.

"Hazardous Materials" means (a) substances that are defined or listed in, or otherwise classified pursuant to, any applicable laws or regulations as "hazardous substances," "hazardous materials," "hazardous wastes," "toxic substances," or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, or "EP toxicity", (b) oil, petroleum, or petroleum derived substances, natural gas, natural gas liquids, synthetic gas, drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil, natural gas, or geothermal resources, (c) any flammable substances or explosives or any radioactive materials, and (d) asbestos in any form or electrical equipment that contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million.

"Hedge Agreement" means a "swap agreement" as that term is defined in Section 101(53B)(A) of the Bankruptcy Code.

"Hedge Obligations" means any and all obligations or liabilities, whether absolute or contingent, due or to become due, now existing or hereafter arising, of Borrower or its Subsidiaries arising under, owing pursuant to, or existing in respect of Hedge Agreements entered into with one or more of the Hedge Providers.

"Hedge Provider" means Wells Fargo or any of its Affiliates.

"Immaterial Subsidiaries" means (a) BusinessSolve Ltd, (b) Forgent Networks Canada, Inc., (c) Compression Labs, Inc., (d) CLI DISC, (e) CLI International, Inc., (f) VTEL Germany,

GmbH, (g) VTEL Australia, Pty Ltd, and (h) iSarla Software Solutions Pvt Ltd, and "Immaterial Subsidiary" means any one of them.

"Increase" has the meaning specified therefor in Section 2.14.

"Increase Date" has the meaning specified therefor in Section 2.14.

"Increase Joinder" has the meaning specified therefor in Section 2.14.

"Indebtedness" as to any Person means (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, or other financial products, (c) all obligations of such Person as a lessee under Capital Leases, (d) all obligations or liabilities of others secured by a Lien on any asset of such Person, irrespective of whether such obligation or liability is assumed, (e) all obligations of such Person to pay the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices and, for the avoidance of doubt, other than royalty payments payable in the ordinary course of business in respect of non-exclusive licenses), (f) all monetary obligations of such Person owing under Hedge Agreements (which amount shall be calculated based on the amount that would be payable by such Person if the Hedge Agreement were terminated on the date of determination), (g) any Disqualified Equity Interests of such Person, and (h) any obligation of such Person guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (g) above. For purposes of this definition, (i) the amount of any Indebtedness represented by a guaranty or other similar instrument shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Indebtedness, and (ii) the amount of any Indebtedness which is limited or is non-recourse to a Person or for which recourse is limited to an identified asset shall be valued at the lesser of (A) if applicable, the limited amount of such obligations, and (B) if applicable, the fair market value of such assets securing such obligation.

"Indemnified Liabilities" has the meaning specified therefor in Section 10.3 of the Agreement.

"Indemnified Person" has the meaning specified therefor in Section 10.3 of the Agreement.

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

"Initial Lenders" means, collectively, Wells Fargo and GS (together with their Affiliates and Related Funds); provided; however, in the event that Wells Fargo or GS (and, in either case, all of its Affiliates or Related Funds, as applicable) ceases to be a Lender, then Wells Fargo or GS as applicable, shall no longer be deemed an "Initial Lender".

"Insolvency Proceeding" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other state or federal bankruptcy or insolvency law, assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

"Intercompany Subordination Agreement" means the Amended and Restated Intercompany Subordination Agreement, dated as of even date with the Agreement, executed and delivered by Borrower, each of its Subsidiaries, and Agent, the form and substance of which is reasonably satisfactory to Agent.

"Interest Expense" means, for any period, the aggregate of the interest expense of Borrower for such period, determined on a consolidated basis in accordance with GAAP.

"Interest Period" means, with respect to each LIBOR Rate Loan, a period commencing on the date of the making of such LIBOR Rate Loan (or the continuation of a LIBOR Rate Loan or the conversion of a Base Rate Loan to a LIBOR Rate Loan) and ending 1, 3, or 6 months thereafter; provided, that (a) interest shall accrue at the applicable rate based upon the LIBOR Rate from and including the first day of each Interest Period to, but excluding, the day on which any Interest Period expires, (b) any Interest Period that would end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day, (c) with respect to an Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period), the Interest Period shall end on the last Business Day of the calendar month that is 1, 3, or 6 months after the date on which the Interest Period began, as applicable, and (d) Borrower may not elect an Interest Period which will end after the Maturity Date.

"Investment" means, with respect to any Person, any investment by such Person in any other Person (including Affiliates) in the form of loans, guarantees, advances, capital contributions (excluding (a) commission, travel, and similar advances to officers and employees of such Person made in the ordinary course of business, and (b) *bona fide* accounts receivable arising in the ordinary course of business), or acquisitions of Indebtedness, Equity Interests, or all or substantially all of the assets of such other Person (or of any division or business line of such other Person), and any other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustment for increases or decreases in value, or write-ups, write-downs, or write-offs with respect to such Investment.

"IRC" means the Internal Revenue Code of 1986, as in effect from time to time.

"ISH" means iSystems Holdings, LLC, a Delaware limited liability company.

"ISIH" means iSystems Intermediate Holdco, Inc., a Delaware corporation.

"ISP" means, with respect to any Letter of Credit, the International Standby Practices 1998 (International Chamber of Commerce Publication No. 590) and any subsequent revision thereof adopted by the International Chamber of Commerce on the date such Letter of Credit is issued.

"Issuer Document" means, with respect to any Letter of Credit, a letter of credit application, a letter of credit agreement, or any other document, agreement or instrument entered into (or to be entered into) by Borrower in favor of Issuing Bank and relating to such Letter of Credit.

"Issuing Bank" means Wells Fargo or any other Lender that, at the request of Borrower and with the consent of Agent, agrees, in such Lender's sole discretion, to become an Issuing Bank for the purpose of issuing Letters of Credit pursuant to Section 2.11 of the Agreement, and Issuing Bank shall be a Lender.

"iSystems Acquisition" means, collectively, the Acquisition consummated pursuant to the iSystems Purchase Agreements.

"iSystems Purchase Agreement" means that certain Equity Purchase Agreement dated as of the Closing Date, among ISH, as the seller thereunder, ISIH and Borrower, in each case, as amended, modified, supplemented, or restated and in effect from time to time in accordance with the terms of the iSystems Subordination Agreement.

"iSystems Subordinated Note" means that certain Secured Subordinated Promissory Note dated as of the Closing Date by Borrower issued to the order of ISH in the original principal amount of $5,000,000, as amended, restated, supplemented or otherwise modified from time to time in accordance with the iSystems Subordination Agreement.

"iSystems Subordination Agreement" means that certain Subordination Agreement dated as of the Closing Date, by and between ISH and Agent, as such agreement is amended, restated, supplemented or otherwise modified from time to time.

"IT Assets" means the computer software, hardware, firmware, middleware and platforms, interfaces, systems, networks, information technology equipment, facilities, websites, infrastructure and associated documentation owned, operated or controlled by or on behalf of each Loan Party or its Subsidiaries.

"January 2017 Acquisitions" means, collectively, (a) the CPI Acquisition, (b) the PMSI Acquisition, and (c) the PSNW Acquisition.

"Last Out Base Rate Margin" has the meaning specified therefor in the definition of "Applicable Margin".

"Last Out LIBOR Rate Margin" has the meaning specified therefor in the definition of "Applicable Margin".

"Last Out Loan Obligations" has the meaning ascribed to such term in the Agreement Among Lenders.

"Lender" has the meaning set forth in the preamble to the Agreement, shall include Issuing Bank and the Swing Lender, and shall also include any other Person made a party to the Agreement pursuant to the provisions of Section 13.1 of the Agreement and "Lenders" means each of the Lenders or any one or more of them.

"Lender Group" means each of the Lenders (including Issuing Bank and the Swing Lender) and Agent, or any one or more of them.

"Lender Group Expenses" means all (a) costs or expenses (including Taxes and insurance premiums) required to be paid by Borrower or its Subsidiaries under any of the Loan Documents that are paid, advanced, or incurred by the Lender Group, (b) reasonable documented out-of-pocket fees or charges paid or incurred by Agent in connection with the Lender Group's transactions with Borrower or its Subsidiaries under any of the Loan Documents, including, photocopying, notarization, couriers and messengers, telecommunication, public record searches, filing fees, recording fees, publication, real estate surveys, real estate title policies and endorsements, and environmental audits, (c) Agent's customary fees and charges imposed or incurred in connection with any background checks or OFAC/PEP searches related to Borrower or its Subsidiaries, (d) Agent's customary and reasonable fees and charges (as adjusted from time to time) with respect to the disbursement of funds (or the receipt of funds) to or for the account of Borrower (whether by wire transfer or otherwise), together with any out-of-pocket costs and expenses incurred in connection therewith, (e) customary and reasonable charges imposed or incurred by Agent resulting from the dishonor of checks payable by or to any Loan Party, (f) reasonable documented out-of-pocket costs and expenses paid or incurred by the Lender Group to correct any default or enforce any provision of the Loan Documents or the Agreement Among Lenders, or during the continuance of an Event of Default, in gaining possession of, maintaining, handling, preserving, storing, shipping, selling, preparing for sale, or advertising to sell the Collateral, or any portion thereof, irrespective of whether a sale is consummated, (g) financial examination, appraisal, and valuation fees and expenses of Agent related to any financial examinations, appraisals, or valuation to the extent of the fees and charges (and up to the amount of any limitation) provided in Section 2.10 of the Agreement, (h) Agent's and each Initial Lender's reasonable costs and expenses (including reasonable documented attorneys' fees and expenses) relative to third party claims or any other lawsuit or adverse proceeding paid or incurred, whether in enforcing or defending the Loan Documents or Agreement Among Lenders or otherwise in connection with the transactions contemplated by the Loan Documents or Agreement Among Lenders, Agent's Liens in and to the Collateral, or the Lender Group's relationship with Borrower or any of its Subsidiaries, (i) Agent's and each Initial Lender's reasonable documented out-of-pocket third-party costs and expenses (including reasonable documented attorneys' fees and due diligence expenses) incurred in advising, structuring, drafting, reviewing, administering (including travel, meals, and lodging), syndicating (including reasonable costs and expenses relative to the rating of the Term Loan, CUSIP, DXSyndicate™, SyndTrak or other communication costs incurred in connection with a syndication of the loan facilities), or amending, waiving, or modifying the Loan Documents or Agreement Among Lenders, and (j) Agent's and each Lender's reasonable documented costs and expenses (including reasonable documented attorneys, accountants, consultants, and other advisors fees and expenses) incurred in terminating, enforcing (including attorneys, accountants, consultants, and other advisors fees and expenses incurred in connection with a "workout," a "restructuring," or an Insolvency Proceeding concerning Borrower or any of its Subsidiaries or in exercising rights

or remedies under the Loan Documents or Agreement Among Lenders), or defending the Loan Documents or Agreement Among Lenders, irrespective of whether a lawsuit or other adverse proceeding is brought, or in taking any enforcement action or any Remedial Action with respect to the Collateral.

"Lender Group Representatives" has the meaning specified therefor in Section 17.9 of the Agreement.

"Lender-Related Person" means, with respect to any Lender, such Lender, together with such Lender's Affiliates, officers, directors, employees, attorneys, and agents.

"Letter of Credit" means a letter of credit (as that term is defined in the Code) issued by Issuing Bank.

"Letter of Credit Collateralization" means either (a) providing cash collateral (pursuant to documentation reasonably satisfactory to Agent, including provisions that specify that the Letter of Credit Fees and all commissions, fees, charges and expenses provided for in Section 2.11(k) of the Agreement (including any fronting fees) will continue to accrue while the Letters of Credit are outstanding) to be held by Agent for the benefit of the Revolving Lenders in an amount equal to 105% of the then existing Letter of Credit Usage, (b) delivering to Agent documentation executed by all beneficiaries under the Letters of Credit, in form and substance reasonably satisfactory to Agent and Issuing Bank, terminating all of such beneficiaries' rights under the Letters of Credit, or (c) providing Agent with a standby letter of credit, in form and substance reasonably satisfactory to Agent, from a commercial bank acceptable to Agent (in its sole discretion) in an amount equal to 105% of the then existing Letter of Credit Usage (it being understood that the Letter of Credit Fee and all fronting fees set forth in the Agreement will continue to accrue while the Letters of Credit are outstanding and that any such fees that accrue must be an amount that can be drawn under any such standby letter of credit).

"Letter of Credit Disbursement" means a payment made by Issuing Bank pursuant to a Letter of Credit.

"Letter of Credit Exposure" means, as of any date of determination with respect to any Lender, such Lender's Pro Rata Share of the Letter of Credit Usage on such date.

"Letter of Credit Fee" has the meaning specified therefor in Section 2.6(b) of the Agreement.

"Letter of Credit Indemnified Costs" has the meaning specified therefor in Section 2.11(f) of the Agreement.

"Letter of Credit Related Person" has the meaning specified therefor in Section 2.11(f) of the Agreement.

"Letter of Credit Usage" means, as of any date of determination, the aggregate undrawn amount of all outstanding Letters of Credit.

"Leverage Ratio" means, as of any date of determination the result of (a) the sum of (i) the amount of Borrower's Funded Indebtedness as of such date minus (ii) the lesser of (A) $2,000,000 and (B) the amount of Qualified Cash as of such date greater than $2,000,000, to (b) Borrower's TTM EBITDA as of such date.

"LIBOR Deadline" has the meaning specified therefor in Section 2.12(b)(i) of the Agreement.

"LIBOR Notice" means a written notice in the form of Exhibit L-1 to the Agreement.

"LIBOR Option" has the meaning specified therefor in Section 2.12(a) of the Agreement.

"LIBOR Rate" means the greater of (a) 1.00 percent per annum, and (b) the rate per annum as reported on Reuters Screen LIBOR01 page (or any successor page) 2 Business Days prior to the commencement of the requested Interest Period, for a term, and in an amount, comparable to the Interest Period and the amount of the LIBOR Rate Loan requested (whether as an initial LIBOR Rate Loan or as a continuation of a LIBOR Rate Loan or as a conversion of a Base Rate Loan to a LIBOR Rate Loan) by Borrower in accordance with the Agreement (and, if any such rate is below zero, the LIBOR Rate shall be deemed to be zero), which determination shall be made by Agent and shall be conclusive in the absence of manifest error.

"LIBOR Rate Loan" means each portion of a Revolving Loan or the Term Loan that bears interest at a rate determined by reference to the LIBOR Rate.

"LIBOR Rate Margin" has the meaning set forth in the definition of Applicable Margin.

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

"Liquidity" means, as of any date of determination, the sum of Availability and Qualified Cash.

"Loan" shall mean any Revolving Loan, Swing Loan, Protective Advance, or Term Loan made (or to be made) hereunder.

"Loan Account" has the meaning specified therefor in Section 2.9 of the Agreement.

"Loan Documents" means the Agreement, the Control Agreements, the Copyright Security Agreement, the Fee Letter, the Guaranty and Security Agreement, the Intercompany Subordination Agreement, any Issuer Documents, the Letters of Credit, the Mortgages, the Trademark Security Agreement, any note or notes executed by Borrower in connection with the Agreement and payable to any member of the Lender Group, and any other instrument or agreement entered into, now or in the future, by Borrower or any of its Subsidiaries and any member of the Lender Group in connection with the Agreement.

"Loan Party" means Borrower or any Guarantor.

"Margin Stock" as defined in Regulation U of the Board of Governors as in effect from time to time.

"Material Adverse Effect" means (a) a material adverse effect in the business, operations, results of operations, assets, liabilities or financial condition of Borrower and its Subsidiaries, taken as a whole, (b) a material impairment of Borrower's and its Subsidiaries ability to perform their obligations under the Loan Documents to which they are parties or of the Lender Group's ability to enforce the Obligations or realize upon the Collateral (other than as a result of as a result of an action taken or not taken that is solely in the control of Agent), or (c) a material impairment of the enforceability or priority of Agent's Liens with respect to all or a material portion of the Collateral.

"Material Contract" means, with respect to any Person, (a) each contract or agreement to which such Person or any of its Subsidiaries is a party involving aggregate consideration payable to or by such Person or such Subsidiary of $1,000,000 or more (other than purchase orders in the ordinary course of the business of such Person or such Subsidiary and other than contracts that by their terms may be terminated by such Person or Subsidiary in the ordinary course of its business upon less than 60 days notice without penalty or premium), and (b) all other contracts or agreements, the loss of which could reasonably be expected to result in a Material Adverse Effect.

"Maturity Date" means May 25, 2022.

"Maximum Revolver Amount" means $5,000,000 minus the aggregate amount of reserves, if any, established by Agent under Section 2.1(c) of the Agreement, and also decreased by the amount of reductions in the Revolver Commitments made in accordance with Section 2.4(c) of the Agreement.

"Moody's" has the meaning specified therefor in the definition of Cash Equivalents.

"Mortgages" means, individually and collectively, one or more mortgages, deeds of trust, or deeds to secure debt, executed and delivered by Borrower or its Subsidiaries in favor of Agent, in form and substance reasonably satisfactory to Agent, that encumber the Real Property Collateral.

"Net Cash Proceeds" means:

(a) with respect to any sale or disposition by Borrower or any of its Subsidiaries of assets, the amount of cash proceeds received (directly or indirectly) from time to time (whether as initial consideration or through the payment of deferred consideration) by or on behalf of Borrower or its Subsidiaries, in connection therewith after deducting therefrom only (i) the amount of any Indebtedness secured by any Permitted Lien on any asset (other than (A) Indebtedness owing to Agent or any Lender under the Agreement or the other Loan Documents and (B) Indebtedness assumed by the purchaser of such asset) which is required to be, and is, repaid in connection with such sale or disposition, (ii) reasonable fees, commissions, and expenses related thereto and required to be paid by Borrower or such Subsidiary in

connection with such sale or disposition, (iii) Taxes paid or payable to any Taxing authorities by Borrower or such Subsidiary in connection with such sale or disposition, in each case to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid or payable to a Person that is not an Affiliate of Borrower or any of its Subsidiaries, and are properly attributable to such transaction; and (iv) all amounts that are set aside as a reserve (A) for adjustments in respect of the purchase price of such assets, (B) for any liabilities associated with such sale or casualty, to the extent such reserve is required by GAAP, and (C) for the payment of unassumed liabilities relating to the assets sold or otherwise disposed of at the time of, or within 30 days after, the date of such sale or other disposition, to the extent that in each case the funds described above in this clause (iv) are (x) deposited into escrow with a third party escrow agent or set aside in a separate Deposit Account that is subject to a Control Agreement in favor of Agent and (y) paid to Agent as a prepayment of the applicable Obligations in accordance with Section 2.4(e) of the Agreement at such time when such amounts are no longer required to be set aside as such a reserve; and

(b) with respect to the issuance or incurrence of any Indebtedness by Borrower or any of its Subsidiaries, or the issuance by Borrower or any of its Subsidiaries of any Equity Interests, the aggregate amount of cash received (directly or indirectly) from time to time (whether as initial consideration or through the payment or disposition of deferred consideration) by or on behalf of Borrower or such Subsidiary in connection with such issuance or incurrence, after deducting therefrom only (i) reasonable fees, commissions, and expenses related thereto and required to be paid by Borrower or such Subsidiary in connection with such issuance or incurrence, (ii) Taxes paid or payable to any Taxing authorities by Borrower or such Subsidiary in connection with such issuance or incurrence, in each case to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid or payable to a Person that is not an Affiliate of Borrower or any of its Subsidiaries, and are properly attributable to such transaction.

"Net Working Capital" means, as of any date of determination, Current Assets as of such date minus Current Liabilities as of such date.

"New Guarantor" means each of Compass HRM, Inc., Florida corporation, iSystems Intermediate Holdco, Inc., a Delaware corporation, iSystems, LLC, a Vermont limited liability company, and evoPro Solutions, Inc., a Florida corporation.

"Non-Consenting Lender" has the meaning specified therefor in Section 14.2(a) of the Agreement.

"Non-Defaulting Lender" means each Lender other than a Defaulting Lender.

"Obligations" means (a) all loans (including the Term Loan and the Revolving Loans (inclusive of Protective Advances and Swing Loans)), debts, principal, interest (including any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), reimbursement or indemnification obligations with respect to Letters of Credit (irrespective of whether contingent), premiums, liabilities (including all amounts charged to the Loan Account pursuant to the Agreement), obligations (including indemnification obligations), fees (including

the fees provided for in the Fee Letter), Lender Group Expenses (including any fees or expenses that accrue after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), guaranties, and all covenants and duties of any other kind and description owing by any Loan Party arising out of, under, pursuant to, in connection with, or evidenced by the Agreement or any of the other Loan Documents and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all interest not paid when due and all other expenses or other amounts that Borrower is required to pay or reimburse by the Loan Documents or by law or otherwise in connection with the Loan Documents, and (b) all Bank Product Obligations. Without limiting the generality of the foregoing, the Obligations of Borrower under the Loan Documents include the obligation to pay (i) the principal of the Revolving Loans and the Term Loan, (ii) interest accrued on the Revolving Loans and the Term Loan, (iii) the amount necessary to reimburse Issuing Bank for amounts paid or payable pursuant to Letters of Credit, (iv) Letter of Credit commissions, fees (including fronting fees) and charges, (v) Lender Group Expenses, (vi) fees payable under the Agreement or any of the other Loan Documents, and (vii) indemnities and other amounts payable by any Loan Party under any Loan Document. Any reference in the Agreement or in the Loan Documents to the Obligations shall include all or any portion thereof and any extensions, modifications, renewals, or alterations thereof, both prior and subsequent to any Insolvency Proceeding.

"OFAC" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"Original Closing Date" means March 20, 2014.

"Original Term Loan" has the meaning specified therefor in Section 2.2 of the Agreement.

"Originating Lender" has the meaning specified therefor in Section 13.1(e) of the Agreement.

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

"Participant" has the meaning specified therefor in Section 13.1(e) of the Agreement.

"Participant Register" has the meaning set forth in Section 13.1(i) of the Agreement.

"Patriot Act" has the meaning specified therefor in Section 4.13 of the Agreement.

"Perfection Certificate" means a certificate in the form of Exhibit P-1 to the Agreement.

"Permitted Acquisition" means any Acquisition so long as:

(a) no Default or Event of Default shall have occurred and be continuing or would result from the consummation of the proposed Acquisition and the proposed Acquisition is consensual,

(b) no Indebtedness will be incurred, assumed, or would exist with respect to Borrower or its Subsidiaries as a result of such Acquisition, other than Indebtedness permitted under clauses (f) or (g) of the definition of Permitted Indebtedness and no Liens will be incurred, assumed, or would exist with respect to the assets of Borrower or its Subsidiaries as a result of such Acquisition other than Permitted Liens,

(c) Borrower has provided Agent with written confirmation, supported by reasonably detailed calculations, that on a *pro forma* basis (including *pro forma* adjustments arising out of events which are directly attributable to such proposed Acquisition, are factually supportable, and are expected to have a continuing impact, in each case, determined as if the combination had been accomplished at the beginning of the relevant period; such eliminations and inclusions to be mutually and reasonably agreed upon by Borrower and Agent) created by adding the historical combined financial statements of Borrower (including the combined financial statements of any other Person or assets that were the subject of a prior Permitted Acquisition during the relevant period) to the historical consolidated financial statements of the Person to be acquired (or the historical financial statements related to the assets to be acquired) pursuant to the proposed Acquisition, Borrower and its Subsidiaries (i) would have been in compliance with the financial covenants in Section 7 of the Agreement for the 4 fiscal quarter period ended immediately prior to the proposed date of consummation of such proposed Acquisition, and (ii) are projected to be in compliance with the financial covenants in Section 7 of the Agreement for the 4 fiscal quarter period ended one year after the proposed date of consummation of such proposed Acquisition,

(d) Borrower has provided Agent with its due diligence package relative to the proposed Acquisition, including forecasted balance sheets, profit and loss statements, and cash flow statements of the Person or assets to be acquired, all prepared on a basis consistent with such Person's (or assets') historical financial statements, together with appropriate supporting details and a statement of underlying assumptions for the 1 year period following the date of the proposed Acquisition, on a quarter by quarter basis), in form and substance (including as to scope and underlying assumptions) reasonably satisfactory to Agent,

(e) Borrower shall have Availability plus Qualified Cash in an amount equal to or greater than $6,000,000 immediately after giving effect to the consummation of the proposed Acquisition,

(f) the assets being acquired or the Person whose Equity Interests are being acquired, on a *pro forma* basis after giving effect to any eliminations and inclusions set forth in clause (c) above, did not have negative EBITDA during the 12 consecutive month period most recently concluded prior to the date of the proposed Acquisition,

(g) Borrower has provided Agent with written notice of the proposed Acquisition at least 15 Business Days prior to the anticipated closing date of the proposed Acquisition and, not later than 5 Business Days prior to the anticipated closing date of the proposed Acquisition, copies of the acquisition agreement and other material documents relative to the proposed Acquisition, which agreement and documents must be reasonably acceptable to Agent,

(h) the assets being acquired (other than a *de minimis* amount of assets in relation to Borrower's and its Subsidiaries' total assets), or the Person whose Equity Interests are being acquired, are useful in or engaged in, as applicable, the business of Borrower and its Subsidiaries or a business reasonably related thereto,

(i) the assets being acquired or the Person whose Equity Interests are being acquired (other than: (x) a *de minimis* amount of assets or Equity Interests in relation to the assets or Equity Interests being acquired or (y) subject to the clause (k) below, assets or Equity Interests for which the total purchase consideration does not exceed $5,000,000 in the aggregate) are located within the United States or the Person whose Equity Interests are being acquired is organized in a jurisdiction located within the United States (or Canada and the United Kingdom so long as Agent obtains a first priority Lien in the assets being acquired),

(j) the subject assets or Equity Interests, as applicable, are being acquired directly by a Borrower or one of its Subsidiaries that is a Loan Party, and, in connection therewith, Borrower or the applicable Loan Party shall have complied with Section 5.11 or 5.12 of the Agreement, as applicable, of the Agreement and, in the case of an acquisition of Equity Interests, Borrower or the applicable Loan Party shall have demonstrated to Agent that the new Loan Parties have received consideration sufficient to make the joinder documents binding and enforceable against such new Loan Parties, and

(k) the purchase consideration payable in respect of all Permitted Acquisitions occurring after the Closing Date (including the proposed Acquisition and including deferred payment obligations) shall not exceed $20,000,000 plus any Net Cash Proceeds from the Specified Equity Issuance (to the extent such Net Cash Proceeds are received within 12 months of such Acquisition) in the aggregate; provided, that the purchase consideration payable in respect of any single Acquisition or series of related Acquisitions shall not exceed $10,000,000 plus any Net Cash Proceeds from the Specified Equity Issuance (to the extent such Net Cash Proceeds are received within 12 months of such Acquisition) in the aggregate.

"Permitted Discretion" means a determination made in the exercise of reasonable (from the perspective of a secured commercial lender) business judgment.

"Permitted Dispositions" means:

(a) sales, abandonment, or other dispositions of Equipment that is worn, damaged, or obsolete or no longer used or useful in the ordinary course of business and leases or subleases of Real Property not useful in the conduct of the business of Borrower and its Subsidiaries,

(b) sales of inventory to buyers in the ordinary course of business,

(c) the use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of the Agreement or the other Loan Documents,

(d) the licensing, on a non-exclusive basis, of patents, trademarks, copyrights, and other intellectual property rights in the ordinary course of business,

(e) the granting of Permitted Liens,

(f) the sale or discount, in each case without recourse, of accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof,

(g) any involuntary loss, damage or destruction of property,

(h) any involuntary condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, or confiscation or requisition of use of property,

(i) the leasing or subleasing of assets of Borrower or its Subsidiaries in the ordinary course of business,

(j) the sale or issuance of Equity Interests (other than Disqualified Equity Interests) of Borrower,

(k) (i) the lapse of registered patents, trademarks, copyrights and other intellectual property of Borrower and its Subsidiaries to the extent not economically desirable in the conduct of their business or (ii) the abandonment of patents, trademarks, copyrights, or other intellectual property rights in the ordinary course of business so long as (in each case under clauses (i) and (ii)), (A) with respect to copyrights, such copyrights are not material revenue generating copyrights, and (B) such lapse is not materially adverse to the interests of the Lender Group,

(l) the making of Restricted Payments that are expressly permitted to be made pursuant to the Agreement,

(m) the making of Permitted Investments,

(n) so long as no Event of Default has occurred and is continuing or would immediately result therefrom, transfers of assets (i) from Borrower or any of its Subsidiaries to a Loan Party, and (ii) from any Subsidiary of Borrower that is not a Loan Party to any other Subsidiary of Borrower,

(o) dispositions of assets acquired by Borrower and its Subsidiaries pursuant to a Permitted Acquisition consummated within 12 months of the date of the proposed disposition so long as (i) the consideration received for the assets to be so disposed is at least equal to the fair market value of such assets, (ii) the assets to be so disposed are not necessary or economically desirable in connection with the business of Borrower and its Subsidiaries, and (iii) the assets to be so disposed are readily identifiable as assets acquired pursuant to the subject Permitted Acquisition,

(p) regularly scheduled payment (but not prepayments or payments following acceleration) by Borrower (directly or indirectly) of interest on the CPI Subordinated Note, PMSI Subordinated Note, PSNW Subordinated Note, the Compass Subordinated Note and the iSystems Subordinated Note, in each case to the extent such payments are permitted to be made under the CPI Subordination Agreement, PMSI Subordination Agreement, PSNW Subordination Agreement, the subordination provisions of the Compass Subordinated Note and the iSystems Subordination Agreement, respectively, and

(q) sales or dispositions of assets (other than Equity Interests of Subsidiaries of Borrower or intellectual property of Borrower or its Subsidiaries) not otherwise permitted in clauses (a) through (o) above so long as made at fair market value and the aggregate fair market value of all assets disposed of in fiscal year (including the proposed disposition) would not exceed $50,000.

"Permitted Holder" means Red Oak Partners, LLC.

"Permitted Indebtedness" means:

(a) Indebtedness evidenced by the Agreement or the other Loan Documents,

(b) Indebtedness set forth on Schedule 4.14 to the Agreement and any Refinancing Indebtedness in respect of such Indebtedness,

(c) Permitted Purchase Money Indebtedness and any Refinancing Indebtedness in respect of such Indebtedness,

(d) endorsement of instruments or other payment items for deposit,

(e) Indebtedness consisting of (i) unsecured guarantees incurred in the ordinary course of business with respect to surety and appeal bonds, performance bonds, bid bonds, appeal bonds, completion guarantee and similar obligations; (ii) unsecured guarantees arising with respect to customary indemnification obligations to purchasers in connection with Permitted Dispositions; and (iii) unsecured guarantees with respect to Indebtedness of Borrower or one of its Subsidiaries, to the extent that the Person that is obligated under such guaranty could have incurred such underlying Indebtedness,

(f) unsecured Indebtedness of Borrower that is incurred on the date of the consummation of a Permitted Acquisition solely for the purpose of consummating such Permitted Acquisition so long as (i) no Event of Default has occurred and is continuing or would result therefrom, (ii) such unsecured Indebtedness is not incurred for working capital purposes, (iii) such unsecured Indebtedness does not mature prior to the date that is 12 months after the Maturity Date, (iv) such unsecured Indebtedness does not amortize until 12 months after the Maturity Date, (v) such unsecured Indebtedness does not provide for the payment of interest thereon in cash or Cash Equivalents prior to the date that is 12 months after the Maturity Date, and (vi) such Indebtedness is subordinated in right of payment to the Obligations on terms and conditions reasonably satisfactory to Agent and Required Lenders,

(g) Acquired Indebtedness in an amount not to exceed $500,000 outstanding at any one time,

(h) Indebtedness incurred in the ordinary course of business under performance, surety, statutory, or appeal bonds,

(i) Indebtedness owed to any Person providing property, casualty, liability, or other insurance to Borrower or any of its Subsidiaries, so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the year in which such Indebtedness is incurred and such Indebtedness is outstanding only during such year,

(j) the incurrence by Borrower or its Subsidiaries of Indebtedness under Hedge Agreements that are incurred for the *bona fide* purpose of hedging the interest rate, commodity, or foreign currency risks associated with Borrower's and its Subsidiaries' operations and not for speculative purposes,

(k) Indebtedness incurred in the ordinary course of business in respect of credit cards, credit card processing services, debit cards, stored value cards, commercial cards (including so-called "purchase cards", "procurement cards" or "p-cards"), or Cash Management Services,

(l) unsecured Indebtedness of Borrower owing to former employees, officers, or directors (or any spouses, ex-spouses, or estates of any of the foregoing) incurred in connection with the repurchase by Borrower of the Equity Interests of Borrower that has been issued to such Persons, so long as (i) no Default or Event of Default has occurred and is continuing or would result from the incurrence of such Indebtedness, (ii) the aggregate amount of all such Indebtedness outstanding at any one time does not exceed $500,000, and (iii) such Indebtedness is subordinated to the Obligations on terms and conditions reasonably acceptable to Agent,

(m) unsecured Indebtedness owing to sellers of assets or Equity Interests to a Loan Party that is incurred by the applicable Loan Party in connection with the consummation of one or more Permitted Acquisitions so long as (i) the aggregate principal amount for all such unsecured Indebtedness does not exceed $20,000,000 at any one time outstanding, (ii) is subordinated to the Obligations on terms and conditions reasonably acceptable to Agent, and (iii) is otherwise on terms and conditions (including all economic terms and the absence of covenants) reasonably acceptable to Agent,

(n) contingent liabilities in respect of any indemnification obligation, adjustment of purchase price, non-compete, or similar obligation of Borrower or the applicable Loan Party incurred in connection with the consummation of one or more Permitted Acquisitions,

(o) Indebtedness composing Permitted Investments,

(p) unsecured Indebtedness incurred in respect of netting services, overdraft protection, and other like services, in each case, incurred in the ordinary course of business,

(q) unsecured Indebtedness of Borrower or its Subsidiaries in respect of Earn-Outs owing to sellers of assets or Equity Interests to Borrower or its Subsidiaries that is incurred in connection with the consummation of one or more Permitted Acquisitions so long as such unsecured Indebtedness is on terms and conditions reasonably acceptable to Agent,

(r) Indebtedness in an aggregate outstanding principal amount not to exceed $50,000 at any time outstanding for all Subsidiaries of Borrower that are CFCs; provided, that such Indebtedness is not directly or indirectly recourse to any of the Loan Parties or of their respective assets,

(s) accrual of interest, accretion or amortization of original issue discount, or the payment of interest in kind, in each case, on Indebtedness that otherwise constitutes Permitted Indebtedness,

(t) [reserved],

(u) Indebtedness owing under (i) the CPI Subordinated Note, so long as (A) the aggregate principal amount for all such Indebtedness does not exceed $500,000 at any one time outstanding, and (B) such Indebtedness is subordinated to the Obligations pursuant to the CPI Subordination Agreement; (ii) the PMSI Subordinated Note, so long as (A) the aggregate principal amount for all such Indebtedness does not exceed $1,125,000 at any one time outstanding, and (B) such Indebtedness is subordinated to the Obligations pursuant to the PMSI Subordination Agreement; (iii) the PSNW Subordinated Note, so long as (A) the aggregate principal amount for all such Indebtedness does not exceed $600,000 at any one time outstanding, and (B) such Indebtedness is subordinated to the Obligations pursuant to the PSNW Subordination Agreement; (iv) the Compass Subordinated Note, so long as (A) the aggregate principal amount for all such Indebtedness does not exceed $500,000 at any one time outstanding, and (B) such Indebtedness is subordinated to the Obligations pursuant to the subordination provisions of the Compass Subordinated Note; and (v) the iSystems Subordinated Note, so long as (A) the aggregate principal amount for all such Indebtedness does not exceed $5,000,000 at any one time outstanding, and (B) such Indebtedness is subordinated to the Obligations pursuant to the iSystems Subordination Agreement, and

(v) any other unsecured Indebtedness incurred by Borrower or any of its Subsidiaries in an aggregate outstanding amount not to exceed $50,000 at any one time.

"Permitted Intercompany Advances" means loans made by (a) a Loan Party to another Loan Party, (b) a Subsidiary of Borrower that is not a Loan Party to another Subsidiary of Borrower that is not a Loan Party, (c) a Subsidiary of Borrower that is not a Loan Party to a Loan Party, so long as the parties thereto are party to the Intercompany Subordination Agreement, and (d) a Loan Party to a Subsidiary of Borrower that is not a Loan Party so long as (i) the aggregate amount of all such loans (by type, not by the borrower) does not exceed $250,000 outstanding at any one time, (ii) at the time of the making of such loan, no Event of Default has occurred and is continuing or would result therefrom, and (iii) Borrower has Availability plus Qualified Cash of $3,000,000 or greater immediately after giving effect to each such loan.

"Permitted Investments" means:

(a) Investments in cash and Cash Equivalents,

(b) Investments in negotiable instruments deposited or to be deposited for collection in the ordinary course of business,

(c) advances made in connection with purchases of goods or services in the ordinary course of business,

(d) Investments received in settlement of amounts due to any Loan Party or any of its Subsidiaries effected in the ordinary course of business or owing to any Loan Party or any of its Subsidiaries as a result of Insolvency Proceedings involving an account debtor or upon the foreclosure or enforcement of any Lien in favor of a Loan Party or its Subsidiaries,

(e) Investments owned by any Loan Party or any of its Subsidiaries on the Closing Date and set forth on Schedule P-1 to the Agreement,

(f) guarantees permitted under the definition of Permitted Indebtedness,

(g) Permitted Intercompany Advances,

(h) Equity Interests or other securities acquired in connection with the satisfaction or enforcement of Indebtedness or claims due or owing to a Loan Party or its Subsidiaries (in bankruptcy of customers or suppliers or otherwise outside the ordinary course of business) or as security for any such Indebtedness or claims,

(i) deposits of cash made in the ordinary course of business to secure performance of operating leases,

(j) (i) non-cash loans and advances to employees, officers, and directors of Borrower or any of its Subsidiaries for the purpose of purchasing Equity Interests in Borrower so long as the proceeds of such loans are used in their entirety to purchase such Equity Interests in Borrower, and (ii) loans and advances to employees and officers of Borrower or any of its Subsidiaries in the ordinary course of business for any other business purpose and in an aggregate amount not to exceed $25,000 at any one time,

(k) Permitted Acquisitions,

(l) Investments resulting from entering into (i) Bank Product Agreements, or (ii) agreements relative to Indebtedness that is permitted under clause (j) of the definition of Permitted Indebtedness,

(m) equity Investments by any Loan Party in any Subsidiary of such Loan Party which is required by law to maintain a minimum net capital requirement or as may be otherwise required by applicable law,

(n) Investments held by a Person acquired in a Permitted Acquisition to the extent that such Investments were not made in contemplation of or in connection with such Permitted Acquisition and were in existence on the date of such Permitted Acquisition, and

(o) so long as no Event of Default has occurred and is continuing or would result therefrom, any other Investments in an aggregate amount not to exceed $25,000 during the term of the Agreement.

"Permitted Liens" means

(a) Liens granted to, or for the benefit of, Agent to secure the Obligations,

(b) Liens for unpaid Taxes, assessments, or other governmental charges or levies that either (i) are not yet delinquent, or (ii) do not have priority over Agent's Liens and the underlying Taxes, assessments, or charges or levies are the subject of Permitted Protests,

(c) judgment Liens arising solely as a result of the existence of judgments, orders, or awards that do not constitute an Event of Default under Section 8.3 of the Agreement,

(d) Liens set forth on Schedule P-2 to the Agreement; provided, that to qualify as a Permitted Lien, any such Lien described on Schedule P-2 to the Agreement shall only secure the Indebtedness that it secures on the Closing Date and any Refinancing Indebtedness in respect thereof,

(e) the interests of lessors under operating leases and non-exclusive licensors under license agreements,

(f) purchase money Liens or the interests of lessors under Capital Leases to the extent that such Liens or interests secure Permitted Purchase Money Indebtedness and so long as (i) such Lien attaches only to the asset purchased or acquired and the proceeds thereof, and (ii) such Lien only secures the Indebtedness that was incurred to acquire the asset purchased or acquired or any Refinancing Indebtedness in respect thereof,

(g) Liens arising by operation of law in favor of warehousemen, landlords, carriers, mechanics, materialmen, laborers, or suppliers, incurred in the ordinary course of business and not in connection with the borrowing of money, and which Liens either (i) are for sums not yet delinquent, or (ii) are the subject of Permitted Protests,

(h) Liens on amounts deposited to secure Borrower's and its Subsidiaries' obligations in connection with worker's compensation or other unemployment insurance,

(i) Liens on amounts deposited to secure Borrower's and its Subsidiaries' obligations in connection with the making or entering into of bids, tenders, or leases in the ordinary course of business and not in connection with the borrowing of money,

(j) Liens on amounts deposited to secure Borrower's and its Subsidiaries' reimbursement obligations with respect to surety or appeal bonds obtained in the ordinary course of business,

(k) with respect to any Real Property, easements, rights of way, and zoning restrictions that do not materially interfere with or impair the use or operation thereof,

(l) non-exclusive licenses of patents, trademarks, copyrights, and other intellectual property rights in the ordinary course of business,

(m) Liens that are replacements of Permitted Liens to the extent that the original Indebtedness is the subject of permitted Refinancing Indebtedness and so long as the replacement Liens only encumber those assets that secured the original Indebtedness,

(n) rights of setoff or bankers' liens upon deposits of funds in favor of banks or other depository institutions, solely to the extent incurred in connection with the maintenance of such Deposit Accounts in the ordinary course of business,

(o) Liens granted in the ordinary course of business on the unearned portion of insurance premiums securing the financing of insurance premiums to the extent the financing is permitted under the definition of Permitted Indebtedness,

(p) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods,

(q) Liens solely on any cash earnest money deposits made by Borrower or any of its Subsidiaries in connection with any letter of intent or purchase agreement with respect to a Permitted Acquisition,

(r) Liens assumed by Borrower or its Subsidiaries in connection with a Permitted Acquisition that secure Acquired Indebtedness,

(s) Liens granted to ISH solely on the equity interests of ISIH to secure obligations under the iSystems Subordinated Note, subject to the provisions of the iSystems Subordination Agreement,

(t) Liens on a cash collateral not to exceed $200,000 held on deposit at Key Bank to secure a letter of credit entered in connection with iSystems' lease at 800 Hinesburg Road, Burlington, Vermont, and

(u) other Liens which do not secure Indebtedness for borrowed money or letters of credit and as to which the aggregate amount of the obligations secured thereby does not exceed $50,000.

"Permitted Protest" means the right of Borrower or any of its Subsidiaries to protest any Lien (other than any Lien that secures the Obligations), Taxes (other than payroll Taxes or Taxes that are the subject of a United States federal Tax lien), or rental payment, provided that (a) a reserve with respect to such obligation is established on Borrower's or its Subsidiaries' books and records in such amount as is required under GAAP, (b) any such protest is instituted promptly and prosecuted diligently by Borrower or its Subsidiary, as applicable, in good faith, and (c) Agent is satisfied that, while any such protest is pending, there will be no impairment of the enforceability, validity, or priority of any of Agent's Liens.

"Permitted Purchase Money Indebtedness" means, as of any date of determination, Indebtedness (other than the Obligations, but including Capitalized Lease Obligations), incurred after the Closing Date and at the time of, or within 20 days after, the acquisition of any fixed assets for the purpose of financing all or any part of the acquisition cost thereof, in an aggregate principal amount outstanding at any one time not in excess of $1,500,000.

"Person" means natural persons, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

"Personal Information" means any information relating to an identified or identifiable individual and that any Loan Party or its Subsidiaries owns, licenses, maintains or possesses, or over which it retains custody or control, including but not limited to, name; postal address; email address or other online contact information (such as an online user ID); telephone number; date of birth; Social Security number (or its equivalent); driver's license number (or other government-issued identification number); account information (including, without limitation, financial account information); payment card data (including, without limitation, primary account number, expiration date, service code, full magnetic stripe data or equivalent on a chip, CAV2/CVC2/CVV2/CID and PIN number); access code, password, security questions and answers; medical information; health insurance information; biometric data; persistent device identifiers (including, without limitation, internet protocol (IP) address); or any other unique identifier or one or more factors specific to the individual's physical, physiological, mental, economic, cultural or social identity.

"Platform" has the meaning specified therefor in Section 17.9(c) of the Agreement.

"PMSI Acquisition" means the Acquisition consummated pursuant to that certain Stock Purchase Agreement, dated as of January 1, 2017, among Borrower, Personnel Management Systems, Inc., a Washington corporation, the Persons listed on Exhibit A thereto, and the PMSI Stockholders' Representative, as amended, modified, supplemented, or restated and in effect from time to time in accordance with the terms of the PMSI Subordination Agreement.

"PMSI Stockholders' Representative" means Jack Goldberg, a Washington resident.

"PMSI Subordinated Note" means that certain Subordinated Promissory Note, dated as of January 1, 2017, by Borrower issued to the order of the PMSI Stockholders' Representative, in the original principal amount of $1,125,000, as amended, restated, supplemented or otherwise modified from time to time in accordance with the PMSI Subordination Agreement.

"PMSI Subordination Agreement" means that certain Subordination Agreement, dated as of January 1, 2017, between the PMSI Stockholders' Representative and Agent, as such agreement is amended, restated, supplemented or otherwise modified from time to time.

"Privacy Laws" means (i) all applicable international, federal, state, provincial and local laws, regulations, directives and governmental requirements relating in any way to the privacy, confidentiality or security of Personal Information or IT Assets; (ii) all applicable industry standards concerning privacy, data protection, confidentiality or information security of Personal

Information or IT Assets, including but not limited to, the Payment Card Industry ("PCI") Data Security Standard and any other applicable security standards, requirements, and assessment procedures published by PCI Security Standards Council ("PCI SSC") in connection with a PCI SSC program; and (iii) applicable provisions of each Loan Party's and its Subsidiaries' privacy and information security policies, statements or notices.

"Projections" means Borrower's forecasted (a) balance sheets, (b) profit and loss statements, and (c) cash flow statements, all prepared on a basis consistent with Borrower's historical financial statements, together with appropriate supporting details and a statement of underlying assumptions.

"Pro Rata Share" means, as of any date of determination:

(a) with respect to a Lender's obligation to make all or a portion of the Revolving Loans, with respect to such Lender's right to receive payments of interest, fees, and principal with respect to the Revolving Loans, and with respect to all other computations and other matters related to the Revolver Commitments or the Revolving Loans, the percentage obtained by dividing (i) the Revolving Loan Exposure of such Lender by (ii) the aggregate Revolving Loan Exposure of all Lenders,

(b) with respect to a Lender's obligation to participate in the Letters of Credit, with respect to such Lender's obligation to reimburse Issuing Bank, and with respect to such Lender's right to receive payments of Letter of Credit Fees, and with respect to all other computations and other matters related to the Letters of Credit, the percentage obtained by dividing (i) the Revolving Loan Exposure of such Lender by (ii) the aggregate Revolving Loan Exposure of all Lenders; provided, that if all of the Revolving Loans have been repaid in full and all Revolver Commitments have been terminated, but Letters of Credit remain outstanding, Pro Rata Share under this clause shall be determined as if the Revolver Commitments had not been terminated and based upon the Revolver Commitments as they existed immediately prior to their termination,

(c) with respect to a Lender's obligation to make all or a portion of the Term Loan, with respect to such Lender's right to receive payments of interest, fees, and principal with respect to the Term Loan, and with respect to all other computations and other matters related to the Term Loan Commitments or the Term Loan, the percentage obtained by dividing (i) the Term Loan Exposure of such Lender by (ii) the aggregate Term Loan Exposure of all Lenders, and

(d) with respect to all other matters and for all other matters as to a particular Lender (including the indemnification obligations arising under Section 15.7 of the Agreement), the percentage obtained by dividing (i) the sum of the Term Loan Exposure of such Lender plus the Revolving Loan Exposure of such Lender by (ii) the sum of the aggregate Term Loan Exposure of all Lenders plus the aggregate Revolving Loan Exposure of all Lenders, in any such case as the applicable percentage may be adjusted by assignments permitted pursuant to Section 13.1; provided, that if all of the Loans have been repaid in full, all Letters of Credit have been made the subject of Letter of Credit Collateralization, and all Commitments have been terminated, Pro Rata Share under this clause shall be determined as if the Revolving Loan

Exposures and Term Loan Exposures had not been repaid, collateralized, or terminated and shall be based upon the Revolving Loan Exposures and Term Loan Exposures as they existed immediately prior to their repayment, collateralization, or termination.

"Protective Advances" has the meaning specified therefor in Section 2.3(d)(i) of the Agreement.

"PSNW Acquisition" means the Acquisition consummated pursuant to that certain Asset Purchase Agreement, dated as of January 1, 2017, among Borrower, Payroll Specialties N.W., Inc., an Oregon corporation, and Shawn Gregg, individually, as amended, modified, supplemented, or restated and in effect from time to time in accordance with the terms of the PSNW Subordination Agreement.

"PSNW Subordinated Note" means that certain Subordinated Promissory Note, dated as of January 1, 2017, by Borrower issued to the order of Payroll Specialties N.W., Inc., an Oregon corporation, in the original principal amount of $600,000, as amended, restated, supplemented or otherwise modified from time to time in accordance with the PSNW Subordination Agreement.

"PSNW Subordination Agreement" means that certain Subordination Agreement, dated as of January 1, 2017, between Payroll Specialties N.W., Inc., an Oregon corporation, and Agent, as such agreement is amended, restated, supplemented or otherwise modified from time to time.

"Public Lender" has the meaning specified therefor in Section 17.9(c) of the Agreement.

"Purchase Price" means, with respect to any Acquisition, an amount equal to the aggregate consideration, whether cash, property or securities (including the fair market value of any Equity Interests of Borrower issued in connection with such Acquisition and including the maximum amount of Earn-Outs), paid or delivered by Borrower or one of its Subsidiaries in connection with such Acquisition (whether paid at the closing thereof or payable thereafter and whether fixed or contingent), but excluding therefrom (a) any cash of the seller and its Affiliates used to fund any portion of such consideration and (b) any cash or Cash Equivalents acquired in connection with such Acquisition.

"Qualified Cash" means, as of any date of determination, the amount of unrestricted cash and Cash Equivalents of Borrower and its Subsidiaries that is in Deposit Accounts or in Securities Accounts, or any combination thereof, and which such Deposit Account or Securities Account is the subject of a Control Agreement and is maintained by a branch office of the bank or securities intermediary located within the United States.

"Qualified Equity Interest" means and refers to any Equity Interests issued by Borrower (and not by one or more of its Subsidiaries) that is not a Disqualified Equity Interest.

"Real Property" means any estates or interests in real property now owned or hereafter acquired by Borrower or its Subsidiaries and the improvements thereto.

"Real Property Collateral" means any Real Property hereafter acquired by Borrower or its Subsidiaries with a fair market value in excess of $250,000.

"Recipient" means (a) the Agent, (b) any Lender, (c) any Participant; or (d) any Issuing Bank, as applicable.

"Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

"Reference Period" has the meaning set forth in the definition of EBITDA.

"Refinancing Indebtedness" means refinancings, renewals, or extensions of Indebtedness so long as:

(a) such refinancings, renewals, or extensions do not result in an increase in the principal amount of the Indebtedness so refinanced, renewed, or extended, other than by the amount of premiums paid thereon and the fees and expenses incurred in connection therewith and by the amount of unfunded commitments with respect thereto,

(b) such refinancings, renewals, or extensions do not result in a shortening of the average weighted maturity (measured as of the refinancing, renewal, or extension) of the Indebtedness so refinanced, renewed, or extended, nor are they on terms or conditions that, taken as a whole, are or could reasonably be expected to be materially adverse to the interests of the Lenders,

(c) if the Indebtedness that is refinanced, renewed, or extended was subordinated in right of payment to the Obligations, then the terms and conditions of the refinancing, renewal, or extension must include subordination terms and conditions that are at least as favorable to the Lender Group as those that were applicable to the refinanced, renewed, or extended Indebtedness, and

(d) the Indebtedness that is refinanced, renewed, or extended is not recourse to any Person that is liable on account of the Obligations other than those Persons which were obligated with respect to the Indebtedness that was refinanced, renewed, or extended.

"Register" has the meaning set forth in Section 13.1(h) of the Agreement.

"Registered Loan" has the meaning set forth in Section 13.1(h) of the Agreement.

"Related Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course and that is administered, advised or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages a Lender.

"Remedial Action" means all actions taken to (a) clean up, remove, remediate, contain, treat, monitor, assess, evaluate, or in any way address Hazardous Materials in the indoor or outdoor environment, (b) prevent or minimize a release or threatened release of Hazardous Materials so they do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment, (c) restore or reclaim natural resources or the environment, (d) perform any pre-remedial studies, investigations, or post-remedial operation and maintenance

activities, or (e) conduct any other actions with respect to Hazardous Materials required by Environmental Laws.

"Replacement Lender" has the meaning specified therefor in Section 2.13(b) of the Agreement.

"Report" has the meaning specified therefor in Section 15.16 of the Agreement.

"Required Availability" means that the sum of (a) Availability, *plus* (b) Qualified Cash exceeds $7,000,000.

"Required Lenders" means, at any time, Lenders having or holding more than 50% of the sum of (a) the aggregate Revolving Loan Exposure of all Lenders, plus (b) the aggregate Term Loan Exposure of all Lenders; provided, that (i) the Revolving Loan Exposure and Term Loan Exposure of any Defaulting Lender shall be disregarded in the determination of the Required Lenders, and (ii) at any time there are 2 or more Lenders, "Required Lenders" must include at least 2 Lenders (who are not Affiliates of one another).

"Restricted Payment" means to (a) declare or pay any dividend or make any other payment or distribution, directly or indirectly, on account of Equity Interests issued by Borrower (including any payment in connection with any merger or consolidation involving Borrower) or to the direct or indirect holders of Equity Interests issued by Borrower in their capacity as such (other than dividends or distributions payable in Qualified Equity Interests issued by Borrower, or (b) purchase, redeem, make any sinking fund or similar payment, or otherwise acquire or retire for value (including in connection with any merger or consolidation involving Borrower) any Equity Interests issued by Borrower, and (c) make any payment to retire, or to obtain the surrender of, any outstanding warrants, options, or other rights to acquire Equity Interests of Borrower now or hereafter outstanding.

"Revolver Commitment" means, with respect to each Revolving Lender, its Revolver Commitment, and, with respect to all Revolving Lenders, their Revolver Commitments, in each case as such Dollar amounts are set forth beside such Revolving Lender's name under the applicable heading on Schedule C-1 to the Agreement or in the Assignment and Acceptance pursuant to which such Revolving Lender became a Revolving Lender under the Agreement, as such amounts may be reduced or increased from time to time pursuant to assignments made in accordance with the provisions of Section 13.1 of the Agreement.

"Revolver Usage" means, as of any date of determination, the sum of (a) the amount of outstanding Revolving Loans (inclusive of Swing Loans and Protective Advances), *plus* (b) the amount of the Letter of Credit Usage.

"Revolving Lender" means a Lender that has a Revolving Loan Commitment or that has an outstanding Revolving Loan.

"Revolving Loan Exposure" means, with respect to any Revolving Lender, as of any date of determination (a) prior to the termination of the Revolver Commitments, the amount of such Lender's Revolver Commitment, and (b) after the termination of the Revolver Commitments, the aggregate outstanding principal amount of the Revolving Loans of such Lender.

"Revolving Loans" has the meaning specified therefor in Section 2.1(a) of the Agreement.

"Sanctioned Entity" means (a) a country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, (d) a Person resident in or determined to be resident in a country, or (e) a Person acting on behalf of a Person incorporated under the laws of a country, in each case, that is subject to a country sanctions program administered and enforced by any Sanctions Authority, and with which a United States person or a person organized under the laws of Canada or any of its provinces or territories or the laws of the United Kingdom is prohibited from transacting business.

"Sanctioned Person" means a person (a) whose name is listed on, or is owned or controlled by a person whose name is listed on, or acting on behalf of a person whose name is listed on, any Sanctions List, (b) that is incorporated under the laws of, or owned or controlled by, or acting on behalf of, a person incorporated under the laws of, a country or territory that is the target of country-wide or territory-wide Sanctions, or (c) that is otherwise the target of Sanctions administered and enforced by any Sanctions Authority.

"Sanctions" means the economic, financial or other sanctions laws, regulations or embargoes administered and enforced by a Sanctions Authority.

"Sanctions Authority" means (a) the United Nations Security Council, (b) the European Union or any European Union member state, (c) OFAC, (d) the governmental institutions and agencies of the United Kingdom, including, without limitation, Her Majesty's Treasury, (e) any Canadian Governmental Authority under the *Special Economic Measures Act* (Canada) or other applicable Canadian legislation, and (f) other sanctioning authority with valid jurisdiction over a Loan Party or its Subsidiaries.

"Sanctions List" means the "Specially Designated Nationals and Blocked Persons" list administered and enforced by OFAC, the "Financial Sanctions: Consolidated List of Targets" administered and enforced by Her Majesty's Treasury, any person that is described as a "designated person", politically exposed foreign person" or "terrorist group" as described in any Canadian Economic Sanctions and Export Control Laws, or any similar applicable list administered and enforced by any Sanctions Authority, in each case as amended, supplemented or substituted from time to time.

"S&P" has the meaning specified therefor in the definition of Cash Equivalents.

"SEC" means the United States Securities and Exchange Commission and any successor thereto.

"Securities Account" means a securities account (as that term is defined in the Code).

"Securities Act" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"Settlement" has the meaning specified therefor in Section 2.3(e)(i) of the Agreement.

"Settlement Date" has the meaning specified therefor in Section 2.3(e)(i) of the Agreement.

"Solvent" means, with respect to any Person as of any date of determination, that (a) at fair valuations, the sum of such Person's debts (including contingent liabilities) is less than all of such Person's assets, (b) such Person is not engaged or about to engage in a business or transaction for which the remaining assets of such Person are unreasonably small in relation to the business or transaction or for which the property remaining with such Person is an unreasonably small capital, and (c) such Person has not incurred and does not intend to incur, or reasonably believe that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise), and (d) such Person is "solvent" or not "insolvent", as applicable within the meaning given those terms and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

"Specified Equity Issuance" means, an issuance of Equity Interests by Borrower on one or more occasions after the Closing Date and on or prior to December 31, 2017 for an aggregate Net Cash Proceeds greater than $5,000,000.

"Standard Letter of Credit Practice" means, for Issuing Bank, any domestic or foreign law or letter of credit practices applicable in the city in which Issuing Bank issued the applicable Letter of Credit or, for its branch or correspondent, such laws and practices applicable in the city in which it has advised, confirmed or negotiated such Letter of Credit, as the case may be, in each case, (a) which letter of credit practices are of banks that regularly issue letters of credit in the particular city, and (b) which laws or letter of credit practices are required or permitted under ISP or UCP, as chosen in the applicable Letter of Credit.

"Subject Holder" has the meaning specified therefor in Section 2.4(e)(v) of the Agreement.

"Subsidiary" of a Person means a corporation, partnership, limited liability company, or other entity in which that Person directly or indirectly owns or controls the Equity Interests having ordinary voting power to elect a majority of the Board of Directors of such corporation, partnership, limited liability company, or other entity.

"Swing Lender" means Wells Fargo or any other Lender that, at the request of Borrower and with the consent of Agent agrees, in such Lender's sole discretion, to become the Swing Lender under Section 2.3(b) of the Agreement.

"Swing Loan" has the meaning specified therefor in Section 2.3(b) of the Agreement.

"Swing Loan Exposure" means, as of any date of determination with respect to any Lender, such Lender's Pro Rata Share of the Swing Loans on such date.

"Taxes" means any all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or Taxing authority thereof or therein, and all interest, additions to Tax, penalties or similar liabilities with respect thereto.

"Tax Lender" has the meaning specified therefor in Section 14.2(a) of the Agreement.

"Term Loan" has the meaning specified therefor in Section 2.2 of the Agreement.

"Term Loan Amount" means $70,000,000.

"Term Loan Commitment" means, with respect to each Lender, its Term Loan Commitment, and, with respect to all Lenders, their Term Loan Commitments with respect to Additional Term Loan Advance, in each case as such Dollar amounts were set forth beside such Lender's name under the applicable heading on Schedule C-1 to the Existing Credit Agreement or in the Assignment and Acceptance pursuant to which such Lender became a Lender under the Agreement, as such amounts may be reduced or increased from time to time pursuant to assignments made in accordance with the provisions of Section 13.1 of the Agreement.

"Term Loan Exposure" means, with respect to any Term Loan Lender, as of any date of determination (a) prior to the funding of the Term Loan, the amount of such Lender's Term Loan Commitment, and (b) after the funding of the Term Loan, the outstanding principal amount of the Term Loan held by such Lender.

"Term Loan Lender" means a Lender that has a Term Loan Commitment or that has a portion of the Term Loan.

"Trademark Security Agreement" has the meaning specified therefor in the Guaranty and Security Agreement.

"TTM EBITDA" means, as of any date of determination, EBITDA of Borrower determined on a consolidated basis in accordance with GAAP, for the 12 month period most recently ended.

"TTM Recurring Revenue" means all annually recurring software-as-a-service, recurring hardware-as-a-service, and cloud (all as determined by Borrower's accountants and satisfactory to Agent) subscription revenue and maintenance support revenues attributable to Borrower or any of its Subsidiaries earned during such period, calculated on a basis consistent with the financial statements delivered to Agent prior to the Closing Date, for the 12 month period most recently ended.

"UCP" means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits 2007 Revision, International Chamber of Commerce Publication No. 600 and any subsequent revision thereof adopted by the International Chamber of Commerce on the date such Letter of Credit is issued.

"United States" means the United States of America.

"Unused Line Fee" has the meaning specified therefor in Section 2.10(b) of the Agreement.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the IRC.

"Voidable Transfer" has the meaning specified therefor in Section 17.8 of the Agreement.

"Wells Fargo" means Wells Fargo Bank, National Association, a national banking association.

"Withholding Agent" means the applicable Loan Party.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

SCHEDULE C-1

Commitments

Lender	Revolver Commitment	Original Term Loan	Additional Term Loan Advance	Term Loan	Total Commitment
Wells Fargo Bank, National Association	$ 5,000,000	$ 29,223,437.48	$ 5,776,562.52	$ 35,000,000	$ 40,000,000
Goldman Sachs Specialty Lending Holdings, Inc.	$ 0.00	$ 0.00	$ 35,000,000	$ 35,000,000	$ 35,000,000
All Lenders	$ 5,000,000	$ 29,223,437.48	$ 40,776,562.52	$ 70,000,000	$ 75,000,000

Schedule 3.1

The obligation of each Lender to make its initial extension of credit provided for in the Agreement is subject to the fulfillment, to the satisfaction of each Lender, in each Lender's Permitted Discretion (the making of such initial extension of credit by any Lender being conclusively deemed to be its satisfaction or waiver of the following), of each of the following conditions precedent:

(a) Agent shall have received each of the following documents, in form and substance satisfactory to Agent, duly executed and delivered, and each such document shall be in full force and effect:

(i) the Copyright Security Agreement,

(ii) the Fee Letter,

(iii) the Disbursement Agreement,

(iv) the Guaranty and Security Agreement,

(v) the Intercompany Subordination Agreement,

(vi) a completed Perfection Certificate covering each of the Loan Parties,

(vii) the iSystems Subordination Agreement, and

(viii) the Trademark Security Agreement;

(b) Agent shall have received a certificate from the Secretary of each Loan Party (i) attesting to the resolutions of such Loan Party's board of directors or board of governors, as it applies, authorizing its execution, delivery, and performance of the Loan Documents to which it is a party, (ii) authorizing specific officers of such Loan Party to execute the same, and (iii) attesting to the incumbency and signatures of such specific officers of such Loan Party;

(c) Agent shall have received copies of each Loan Party's Governing Documents, as amended, modified, or supplemented to the Closing Date, which Governing Documents shall be (i) certified by the Secretary of such Loan Party, and (ii) with respect to Governing Documents that are charter documents, certified as of a recent date (not more than 30 days prior to the Closing Date) by the appropriate governmental official;

(d) Agent shall have received a certificate of good standing with respect to each Loan Party, dated within 10 days of the Closing Date, such certificate to be issued by the appropriate officer of the jurisdiction of organization of such Loan Party, which certificate shall indicate that such Loan Party is in good standing in such jurisdiction;

(e) Agent shall have received certificates of foreign qualification with respect to each Loan Party, each dated within 30 days of the Closing Date, such certificates to be issued by the appropriate officer of the jurisdictions (other than the jurisdiction of organization of such Loan

Party) in which its failure to be duly qualified or licensed would constitute a Material Adverse Effect, which certificates shall indicate that such Loan Party is in good standing in such jurisdictions;

(f) Agent shall have received a certificate of insurance, together with the endorsements thereto, as are required by Section 5.6 of the Agreement, the form and substance of which shall be satisfactory to Agent;

(g) [reserved];

(h) Agent shall have received an opinion of the Loan Parties' counsel in form and substance reasonably satisfactory to Agent;

(i) Borrower shall have the Required Availability after giving effect to the initial extensions of credit under the Agreement and the payment of all fees and expenses required to be paid by Borrower on the Closing Date under the Agreement or the other Loan Documents;

(j) The Leverage Ratio (after giving effect to the consummation of the Compass Acquisition and the iSystems Acquisition and funding of the initial Loans on the Closing Date) shall not be greater than 5.4:1.00.

(k) Agent shall have completed (i) Patriot Act searches, OFAC/PEP searches and customary individual background checks for each New Guarantor, and (ii) OFAC/PEP searches and customary individual background searches for each New Guarantor's senior management and key principals, the results of which shall be reasonably satisfactory to Agent;

(l) Borrower shall have paid all Lender Group Expenses incurred in connection with the transactions evidenced by the Agreement and the other Loan Documents;

(m) Agent shall have received copies of each Material Contract, together with a certificate of the Secretary of Borrower certifying each such document as being a true, correct, and complete copy thereof;

(n) Borrower and each of its Subsidiaries shall have received all governmental and third party approvals (including shareholder approvals, Hart-Scott-Rodino clearance and other consents from third parties and Governmental Authorities) necessary or, in the reasonable opinion of Agent, advisable in connection with the Agreement or the transactions contemplated by the Loan Documents, which shall all be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on the Credit Agreement or the transactions contemplated by the Loan Documents; and

(o) all other documents and legal matters in connection with the transactions contemplated by the Agreement shall have been delivered, executed, or recorded and shall be in form and substance reasonably satisfactory to Agent.

SCHEDULE 3.6

The obligation of each Lender to make any Loans hereunder at any time (or to extend any other credit hereunder) shall be subject to the fulfillment, to the satisfaction of each Lender, of the post-closing covenants set forth below. Borrower shall satisfy each post-closing covenant set forth below within such covenant's prescribed time period (unless extended by Agent in its sole discretion). Borrower's failure to satisfy such covenant within the prescribed time period shall constitute an Event of Default under the Agreement.

(a) Within 120 days following the Closing Date, Borrower shall provide Agent duly executed Control Agreements and Controlled Account Agreements in form and substance reasonably satisfactory to Agent with respect to Loan Parties acquired in the January 2017 Acquisitions, the Compass Acquisition and the iSystems Acquisition; provided that this clause (a) shall not apply to Deposit Accounts of Loan Parties that are custodial or trust accounts.

(b) Within 120 days following the Closing Date, the Loan Parties shall have established their primary depository and treasury management relationships (including credit card accounts) with Wells Fargo or one or more of its Affiliates and will maintain such depository and treasury management relationships at all times during the term of the Agreement with respect to Loan Parties acquired in the January 2017 Acquisitions, the Compass Acquisition and the iSystems Acquisition; provided that this clause (b) shall not apply to Deposit Accounts of Loan Parties that are custodial or trust accounts.

(c) Within 120 days following the Closing Date, the Loan Parties shall have closed each Deposit Account and Securities Account not held with Wells Fargo or one or more of its Affiliates.

(d) Within 30 days following the Closing Date, Borrowers shall have provided Agent with evidence reasonably satisfactory to Agent that Borrowers have necessary merger documents at the United States Copyright Office to correctly title all Copyrights in the name of a Loan Party.

(d) Within 10 days following the Closing Date, Borrowers shall have provided Agent with replacement stock certificates for each of the New Guarantors that is a corporation with a legend in form and substance satisfactory to Agent.

(e) On or prior to March 31, 2018, Borrower shall deliver to Agent evidence satisfactory to Agent that the Loan Parties have terminated all use of any iText Group NV software that was being used by any Loan Party.

Schedule 5.1

Deliver to Agent (to be distributed to each Lender) each of the financial statements, reports, or other items set forth below at the following times in form satisfactory to Agent:

as soon as available, but in any event within 30 days (45 days in the case of a month that is the end of one of Borrower's fiscal quarters) after the end of each month during each of Borrower's fiscal years,	(a) an unaudited consolidated and consolidating balance sheet, income statement, statement of cash flow, and statement of shareholder's equity covering Borrower's and its Subsidiaries' operations during such period and compared to the prior period and plan, together with a corresponding discussion and analysis of results from management, and (b) a Compliance Certificate along with the underlying calculations, including the calculations to arrive at EBITDA to the extent applicable.
as soon as available, but in any event within 90 days after the end of each of Borrower's fiscal years,	(c) consolidated and consolidating financial statements of Borrower and its Subsidiaries for each such fiscal year, audited by independent certified public accountants reasonably acceptable to Agent and certified, without any qualifications (including any (A) "going concern" or like qualification or exception, (B) qualification or exception as to the scope of such audit, or (C) qualification which relates to the treatment or classification of any item and which, as a condition to the removal of such qualification, would require an adjustment to such item, the effect of which would be to cause any noncompliance with the provisions of Section 7 of the Agreement), by such accountants to have been prepared in accordance with GAAP (such audited financial statements to include a balance sheet, income statement, statement of cash flow, and statement of shareholder's equity, and, if prepared, such accountants' letter to management), Agreement), by such accountants to have been prepared in accordance with GAAP (such audited financial statements to include a balance sheet, income statement, statement of cash flow, and statement of shareholder's equity, and, if prepared, such accountants' letter to management), (d) a Compliance Certificate along with the underlying calculations, including the calculations to arrive at EBITDA to the extent applicable, and (e) a detailed calculation of Excess Cash Flow.

as soon as available, but in any event within 30 days prior to the start of each of Borrower's fiscal years,	(f) copies of Borrower's Projections, in form and substance (including as to scope and underlying assumptions) satisfactory to Agent, in its Permitted Discretion, for the forthcoming 3 years, year by year, and for the forthcoming fiscal year, month by month, certified by the chief financial officer of Borrower as being such officer's good faith estimate of the financial performance of Borrower during the period covered thereby.
if and when filed by Borrower,	(g) Form 10-Q quarterly reports, Form 10-K annual reports, and Form 8-K current reports, and
	(h) any other filings made by Borrower with the SEC.
promptly, but in any event within 5 days after Borrower has knowledge of any event or condition that constitutes a Default or an Event of Default,	(i) notice of such event or condition and a statement of the curative action that Borrower proposes to take with respect thereto.
promptly after the commencement thereof, but in any event within 5 days after the service of process with respect thereto on Borrower or any of its Subsidiaries,	(j) notice of all actions, suits, or proceedings brought by or against Borrower or any of its Subsidiaries before any Governmental Authority which reasonably could be expected to result in a Material Adverse Effect.
upon the request of Agent,	(k) any other information reasonably requested relating to the financial condition of Borrower or its Subsidiaries.

Schedule 5.2

Provide Agent (to be distributed to each Lender) with each of the documents set forth below at the following times in form satisfactory to Agent:

Monthly (within 30 days (45 days in the case of a month that is the end of a fiscal quarter) after the end of each month)	(a) a report summarizing the following (i) TTM Recurring Revenue by type for the prior month, and (ii) TTM Recurring Revenue by type for the trailing twelve months, and (b) a detailed report regarding Borrower's and its Subsidiaries' cash and Cash Equivalents, itemized by account (including all acquired accounts, operating and custodial payroll accounts), including an indication of which accounts constitute Qualified Cash, and
Quarterly (no later than 45 days following the end of each fiscal quarter)	(c) a bookings report for the following (i) prior month by revenue type, and (ii) trailing twelve months by revenue type, (d) IP Reporting Certificate and a Perfection Certificate or a supplement to the Perfection Certificate, (e) customer attrition and retention data and statistics for the prior fiscal quarter and on a trailing twelve month period, consistent with what was previously provided, (f) a report regarding Borrower's and its Subsidiaries' accrued, but unpaid taxes, including but not limited to a detailed report regarding deemed dividend tax liability, if applicable, and (g) a report regarding Borrower's and its Subsidiaries' employee headcount, including location of (including by Subsidiary) and function performed by such employees.
Upon request by	(h) Such other reports, including but not limited to a summary aging of the Borrower's Accounts, and a summary aging, by vendor, of Borrower's accounts payable, and any book overdrafts, and as to the Collateral or the financial condition of Borrower and its Subsidiaries, as Agent may reasonably request.

Exhibit 23.1

Consent of Independent Auditor

We consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-216075, 333-212317, and 333-182828) and the Registration Statements on Form S-8 (Nos. 333-215097 and 333-175186) of Asure Software, Inc. of our report dated May 22, 2017, relating to the consolidated financial statements of iSystems Holdings, LLC and Subsidiaries, appearing in this Current Report on Form 8-K.

We also consent to the reference of our firm under the heading "Experts" in the Prospectus Supplement related to the Registration Statement on Form S-3 (333-216075).

/s/ RSM US LLP

Boston, MA
May 26, 2017

Exhibit 99.1

Asure Software Acquires iSystems and Compass HRM; Announces Public Offering of Common Stock

Asure Management to Hold Conference Call on May 26 at 11 a.m. ET

Austin, TX — May 25, 2017 — Asure Software, Inc. (NASDAQ: ASUR), a leading provider of Human Capital Management (HCM) and workplace management software, has consummated the acquisitions of iSystems Intermediate Holdco, Inc. (iSystems) and Compass HRM (Compass). In connection with the acquisitions, the company increased the total principal amount of commitments under its credit facility from approximately $32 million to $75 million, as well as announced its intention to offer and sell shares of its common stock in an underwritten public offering.

Acquisitions Summary and Other Key Developments:

- Consummated the acquisition of iSystems, a leading national provider of HCM solutions to more than 100 payroll and HR service bureaus, providing Asure with additional cross-sell revenue opportunities and cost synergies
- Consummated the acquisition of Compass HRM, a regional HR and payroll service bureau in the Southeast and existing reseller of Asure's HCM offering
- Updated its financial guidance for fiscal 2017
- Secured a new $35 million term loan, thereby increasing the total commitment capacity under its restated credit facility to $75 million
- Announced a proposed public offering of its common stock
- Agreed to appoint Silver Oak Services Partners Founder and Co-Managing Partner Daniel Gill to Asure board of directors, effective June 6, 2017
- Announced that Asure management will hold a conference call on May 26 at 11 a.m. ET to discuss the acquisitions and financial outlook

iSystems Acquisition

Based in Burlington, VT, iSystems is a leading national provider of HCM software for service bureaus, including independent payroll processors, banks and Certified Public Accountants (CPAs). Founded in 1996 by service bureau professionals, iSystems delivers payroll processing capabilities to service bureaus through its core software platform EvolutionHCM, which includes payroll, tax, HR management, time and labor, and business analytics.

With iSystems products providing core processing capabilities, the company's service bureau customers then resell HCM and payroll processing services into the end market, typically consisting of small and medium businesses with less than 1,000 employees. Today, iSystems has more than 100 service bureau customers nationwide, who collectively process payroll for approximately 75,000 small and mid-sized businesses.

As a standalone company, iSystems is projected to generate approximately $14 million in revenue and approximately $1.7 million in EBITDA in 2017, before realizing potential revenue and cost synergies

with Asure. The aggregate consideration of the iSystems acquisition is $55 million, which includes $32 million in cash, $18 million of Asure Software unregistered common stock (approximately 1.5 million shares), and a $5 million seller note at 3.5% interest.

“Much like our transformational acquisition of Mangrove last year, the decision to acquire iSystems is consistent with our strategy of purchasing businesses with proven technology and a robust service bureau organization customer base, which present significant financial opportunities to upsell and cross-sell our solutions,” said Asure CEO Pat Goepel. “In fact, iSystems’ customer base of more than 100 service bureaus represent an attractive consolidation opportunity for us to potentially acquire approximately $130 million in additional payroll revenue.”

“This ‘tuck-in’ acquisition strategy of service bureaus not only maintains technology continuity with the end customer and improves support, but also provides Asure with an opportunity to capitalize on significant cost synergies and EBITDA margin expansion by eliminating duplicative back office functions and resources. These types of ‘tuck-in’ acquisitions can be accretive and also relatively seamless and quick from a potential integration perspective.”

Additional financial information relating to iSystems is included in an 8-K filing with the SEC.

Compass HRM Acquisition

Tampa-based Compass HRM is a current reseller of Asure’s HCM offering (formerly Mangrove), which provides human resources solutions that enhance organizations, people, and profits through payroll and HR solutions. The acquisition of Compass HRM expands Asure’s reach in the Southeast, particularly Florida. Asure plans to leverage Compass HRM’s referral network to provide new clients with the necessary tools to help achieve the success of their most valuable resources: their people.

Compass HRM clients will continue to receive the local expertise they have come to expect and value. However, they will now also benefit from Asure’s ability to provide workforce and workplace management services with the support of a larger organization with more resources and capabilities.

The aggregate consideration for the Compass HRM acquisition consists of $4.5 million in cash and a $1.5 million seller note.

“As a regional service bureau and longstanding reseller of our leading HCM solutions, we are confident that Compass HRM will integrate quickly and effectively into our business, providing us with the opportunity for meaningful revenue and EBITDA improvements,” added Goepel. “Our successful track record of acquiring and integrating service bureaus, like PSNW and CPI earlier this year, has served as a viable blueprint in our pursuit of iSystems, Compass, as well as other service bureaus who are already using our technology.”

“This strategy allows us to have the opportunity to supplement our existing organic growth with attractive and accretive acquisition growth that should enable us to capture significant sales, product, and financial synergies to methodically scale our business. In fact, in the first quarter since we completed the PSNW and CPI acquisitions, we were able to increase the service bureaus combined topline by more than 10%, as well as expand their aggregate EBITDA margin from 10% to more than 50%. These significant improvements are consistent with our plan and demonstrate the financial attractiveness of the service bureau consolidation opportunity presented to us. Simply put, our

acquisition of iSystems, a company with more than 100 service bureau customers, which is nearly six times the amount of service bureaus that Mangrove supported when we acquired them, provides us with considerable consolidation opportunities to profitability scale our business further."

Financial Outlook

Concurrent with the acquisitions of iSystems and Compass HRM, Asure updated its financial guidance for fiscal 2017. Asure now projects 2017 revenue, EBITDA (excluding one-time items), net income (loss) per share (excluding one-time items), and non-GAAP net income per share as follows:

2017 Financial Guidance	**Fiscal 2017**
Revenue	$53.0 million to $56.0 million
EBITDA, excluding one-time items	$11.9 million to $13.2 million
Net Income (Loss) per Share, excluding one-time items	($0.02) to $0.02
Non-GAAP Net Income per Share	$0.50 to $0.59

For 2017, Asure expects to achieve between $53.0 and $56.0 million in revenue, with EBITDA, excluding one-time items, of between $11.9 and $13.2 million, net income (loss) per share, excluding one-time items, of between $(0.02) and $0.02 and non-GAAP net income per share of between $0.50 and $0.59.

On a pro forma basis for 2017 (as if iSystems, Compass HRM and Asure had been combined as a single company as of January 1, 2017), Asure expects to achieve between $62.0 and $65.0 million in revenue, with EBITDA, excluding one-time items, of between $15.2 and $17.4 million, net income per share, excluding one-time items, of between $0.31 and $0.37 and non-GAAP net income per share of between $1.10 and $1.27.

For 2018, Asure's objectives are to reach double-digit organic revenue growth with multiple "tuck-in" acquisitions each of approximately $2.0 million of revenue and a purchase price of about two times revenue. In addition, Asure seeks to reach between $70.0 and $80.0 million of revenue for 2018, with EBITDA, excluding one-time items, of between $16.0 and $20.0 million, and net income per share, excluding one-time items, of between $0.25 and $0.44 and non-GAAP net income per share of between $0.74 and $0.96.

Goepel continued: "We believe our operating leverage coupled with our growth and profitability profile makes us a truly unique SaaS company. We are continuing to make solid progress toward achieving our mid-term goal of surpassing $100 million in revenue with double-digit EBITDA margins."

Public Equity Offering

Asure intends to offer and sell shares of its common stock in an underwritten public offering. Roth Capital Partners is acting as the sole book-running manager for the offering.

The shares of common stock are being offered by Asure pursuant to a shelf registration statement on Form S-3 previously filed with and subsequently declared effective by the Securities and Exchange Commission. Before you invest, you should read the prospectus in that registration statement and other documents Asure has filed with the SEC for more complete information about Asure and this

offering. An electronic preliminary prospectus supplement and the accompanying prospectus relating to the offering has also been filed with the SEC and is available for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, copies of the preliminary prospectus supplement and the accompanying prospectus relating to the offering may also be obtained from Roth Capital Partners, LLC, 888 San Clemente, Newport Beach, California 92660, Attn: Equity Capital Markets, via telephone at (800) 678-9147 or via email at rothecm@roth.com.

Amended Credit Agreement with Wells Fargo Bank and Goldman Sachs Specialty Lending

Asure entered into an amended and restated $75 million Credit Facility with Wells Fargo Bank and is excited to announce a new lender, Goldman Sachs Specialty Lending. The loan agreement gives Asure additional financial flexibility by providing the company with an incremental $40 million facility to make further acquisitions.

Daniel Gill Appointment to Asure Board of Directors

In connection with the consummation of the acquisition of iSystems, Asure has agreed to appoint Daniel Gill, Founder and Co-Managing director of Silver Oak Services Partners and the majority owner of iSystems, to the Asure board of directors, effective June 6, 2017. Following Gill's appointment, Asure's board of directors will be comprised of five independent directors and one inside director.

Gill also currently serves on the board of directors of the Pediatric Dental Practice Management platform, PLA, PRN and VASA Fitness. Gill previously served on the board of Advantage Payroll Services, Aurum Technology, CompuPay, Convergent Resources, Direct Travel, Dynamic Hospitals, Education Corporation of America, GKIC, Interlink Communications Partners, Merit Health Systems, and Physicians Endoscopy.

"I am excited to welcome Dan to the board of directors, especially during a time of such rapid growth for our company," added Goepel. "Dan not only has a wealth of corporate governance and financial experience, but also brings to our organization a deep insight into the payroll and HR industry. We look forward to his guidance and contributions as we continue to expand our market share and global footprint in the HCM space."

Gill received an M.B.A. from the University of Chicago, Graduate School of Business and a B.A. degree in Economics from Bucknell University.

Conference Call

Asure management will hold a conference call on Friday, May 26 at 11:00 a.m. Eastern time (10:00 a.m. Central time) to discuss the acquisitions and business outlook.

Asure CEO Pat Goepel and CFO Brad Wolfe will host the presentation, followed by a question and answer period.

Date: Friday, May 26, 2017
Time: 11:00 a.m. Eastern time (10:00 a.m. Central time)
U.S. dial-in: 877-853-5636
International dial-in: 631-291-4544
Conference ID: 30407284

The conference call will be broadcast simultaneously and available for replay via the investor section of the company's website here.

Please call the conference telephone number five minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact Liolios at 949-574-3860.

U.S. replay dial-in: 855-859-2056
International replay dial-in: 404-537-3406
Replay ID: 30407284

Forward-Looking Statements

The forward-looking statements in this press release are made under the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those indicated by forward-looking statements because of various risks and uncertainties, including those described in the preliminary prospectus supplement and the accompanying prospectus and in Asure's other filings and reports with the Securities and Exchange Commission. When used in this press release, the words "believes," "plans," "expects," "will," "intends," "estimates" and "anticipates" and similar expressions are intended to identify forward-looking statements. Except as required by law, Asure is not obligated to update any forward-looking statements to reflect events or circumstances that occur after the date of this press release or to reflect the occurrence of unanticipated events.

The offering is subject to market and other conditions and there can be no assurance as to whether or when the offering may be completed or as to the actual size or terms of the offering.

About iSystems

iSystems, LLC is the company behind Evolution, which provides accuracy, productivity, and financial control within one single-source, end-to-end HCM solution. iSystems values and understands the importance of innovation and perseverance to provide its service provider clients with a secure, scalable and reliable technology. The company maintains a high level of product and technical support, provides ongoing training programs, offers marketing and sales support, and ensures a high level of commitment to the research and development of new products and services. The Evolution HCM software was recently recognized by CIO Review and its independent board of advisors as one of the 20 Most Promising HR Technology Solution Providers for 2016 in the country.

About Compass HRM

Compass HRM, located in Tampa Florida, provides the flexibility, choice and convenience for businesses who need to manage their HR, payroll, benefits and compliance, at a cost savings of a Professional Employer Organization (PEO). With over 30,000 employees and dependents serviced we continue to be a strategic partner for small to mid-sized companies across the nation looking to streamline processes, optimize workflows and more efficiently manage their human capital across all HR functions. Compass HRM was recently listed in Inc. magazines, Annual 500 ranking, as one of the nation's fastest growing private companies.

About Asure Software

Asure Software, Inc., (NASDAQ: ASUR), headquartered in Austin, Texas, offers intuitive and innovative technologies that enable companies of all sizes and complexities to operate more efficiently. We help

build companies of the future. Our cloud platform has helped more than 7,500 clients worldwide to better manage their people and space for a mobile, digital, multi-generational, and global organization. Asure Software's suite of solutions range from HCM workforce management solutions, time and attendance to workspace asset optimization and meeting room management solutions. For more information, please visit www.asuresoftware.com.

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***Non-GAAP Financial Measures**

This press release includes the following financial measures defined as non-GAAP financial measures by the Securities and Exchange Commission: EBITDA and GAAP Net Income (Loss) excluding one-time expenses. These supplemental financial measures are not required by GAAP, nor is the presentation of this financial information intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. Management recognizes that non-GAAP financial measures have limitations in that they do not reflect all of the expenses associated with Asure's earnings results as determined in accordance with GAAP. However, for the reasons described below, management uses these non-GAAP measures to evaluate the performance of Asure's business. Asure's management believes that it is important to provide investors with these same tools, together with reconciliation to GAAP, for evaluating the performance of Asure's business, as it may provide additional insight into Asure's financial results. See the "Reconciliation of GAAP Net Income (Loss) to Net Income (Loss) Before Interest, Taxes, Depreciation, Amortization and Stock Compensation Expense (EBITDA)" and the "Reconciliation of GAAP Net Income/(Loss) to Net Income (Loss) Excluding One-Time Expenses" tables included in this press release for further information regarding these non-GAAP financial measures. In addition, these measures are presented because management believes they are frequently used by securities analysts, investors and others in the evaluation of companies.

EBITDA is calculated by adding income taxes, interest expense, depreciation and amortization and stock compensation expense to net earnings. EBITDA is not defined under GAAP and should not be considered in isolation or as a substitute for net earnings and other consolidated earnings data prepared in accordance with GAAP or as a measure of Asure's profitability.

Net Income (Loss) Excluding One-Time Expenses is calculated by combining the company's GAAP Net Income (Loss), or earnings per share, with expenses that are one time in nature and are not expected to recur on a dollar or per share basis.

Non-GAAP Net Income (Loss) is calculated by combining the company's GAAP Net Income (Loss), or earnings per share, with items that are one time in nature and are not expected to recur on a dollar or per share basis. It excludes the impact of purchase accounting adjustments, amortization expense on acquisition-related intangible assets, stock-based compensation expense, and acquisition-related expenses. We have revised our non-GAAP Net Income (Loss) to include acquisition-related amortization, as we believe this will more accurately reflect how we analyze our operations and provide information needed by investors to gain additional insight into our financial results. These expenses have been included in the non-GAAP Net Income (Loss) for all periods presented.

Reconciliation of GAAP Net Income (Loss) to EBITDA Excluding One-time Expenses:

$000s	Fiscal 2017			Fiscal 2017 Pro forma			Fiscal 2018		
Net Income (Loss)	**(3,500)**	**to**	**(4,000)**	**(425)**		—	625	to	2,500
Interest	4,000	to	4,200	4,000	to	4,200	4,500	to	5,500
Tax	250	to	300	250	to	300	250	to	300
Depreciation	1,900	to	2,000	2,100	to	2,200	2,050	to	2,200
Amortization	5,800	to	6,200	5,825	to	6,200	5,825	to	6,200
Stock Compensation	250	to	300	250	to	300	250	to	300
EBITDA	**8,700**	**to**	**9,000**	**12,000**	**to**	**13,200**	**13,500**	**to**	**17,000**
One-time expenses	**3,200**	**to**	**4,200**	**3,200**	**to**	**4,200**	**2,500**		**3,000**
EBITDA excluding one-time expenses	**11,900**	**to**	**13,200**	**15,200**	**to**	**17,400**	**16,000**		**20,000**

Reconciliation of GAAP Net Income (Loss) to Net Income (Loss) Excluding One-Time Expenses and non-GAAP Net Income per share

	Fiscal 2017		
Net loss per share	**$ (0.30)**	**to**	**$ (0.35)**
One time items per share	$ 0.28	to	$ 0.37
Net Income (loss) per share, excluding one time items	**$ (0.02)**	**to**	**$ 0.02**
Stock based compensation per share	$ 0.02	to	$ 0.03
Amortization expense on acquisition-related intangible assets per share	$ 0.50	to	$ 0.54
Non GAAP Net Income per share	**$ 0.50**	**to**	**$ 0.59**

	Fiscal 2017 Pro forma		
Net loss per share	**$ (0.04)**	**to**	**$ —**
One time items per share	$ 0.35	to	$ 0.37
Net Income per share, excluding one time items	**$ 0.31**	**to**	**$ 0.37**
Stock based compensation per share	$ 0.28	to	$ 0.37
Amortization expense on acquisition-related intangible assets per share	$ 0.51	to	$ 0.54
Non GAAP Net Income per share	**$ 1.10**	**to**	**$ 1.27**

	Fiscal 2018		
Net Income per share	**$ 0.05**	**to**	**$ 0.20**
One time items per share	$ 0.20	to	$ 0.24
Net Income per share, excluding one time items	**$ 0.25**	**to**	**$ 0.44**
Stock based compensation per share	$ 0.02	to	$ 0.02
Amortization expense on acquisition-related intangible assets per share	$ 0.47	to	$ 0.50
Non GAAP Net Income per share	**$ 0.74**	**to**	**$ 0.96**

Exhibit 99.2

iSystems Holdings, LLC
and Subsidiaries

Consolidated Financial Report
December 31, 2016

Contents

Independent Auditor's Report

To the Members and Board of Directors
iSystems Holdings, LLC

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of iSystems Holdings, LLC and Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2016 and 2015, the related consolidated statements of operations, members' capital and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of iSystems Holdings, LLC and Subsidiaries as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ RSM US LLP

Boston, Massachusetts
May 22, 2017

iSystems Holdings LLC and Subsidiaries

Consolidated Balance Sheets
December 31, 2016 and 2015
(in thousands)

	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	**$ 1,600**	$ 484
Restricted cash	**—**	878
Accounts receivable, net	**140**	88
Unbilled accounts receivable	**1,068**	1,134
Prepaid expenses and other current assets	**261**	186
Total current assets	**3,069**	2,770
Restricted cash	**200**	200
Property and equipment, net	**667**	736
Software development costs, net	**4,316**	3,728
Goodwill	**16,593**	16,593
Intangible assets, net	**10,253**	12,706
Other long-term assets	**63**	63
Total assets	**$ 35,161**	$ 36,796
Liabilities and Members' Capital		
Current liabilities:		
Accounts payable and accrued expenses	**$ 877**	$ 609
Accrued compensation	**621**	798
Client fund obligations	**—**	878
Deferred revenue, short-term	**288**	246
Term loan, short-term, net of debt issuance costs	**56**	89
Other current liabilities	**48**	—
Total current liabilities	**1,890**	2,620
Term loan, long-term, net of debt issuance costs	**19,275**	19,258
Deferred revenue, long-term	**774**	491
Deferred tax liability	**938**	573
Other long-term liabilities	**268**	104
Total liabilities	**23,145**	23,046
Members' capital	**12,016**	13,750
Total liabilities and members' capital	**$ 35,161**	$ 36,796

See notes to consolidated financial statements.

iSystems Holdings LLC and Subsidiaries

Consolidated Statements of Operations
Years Ended December 31, 2016 and 2015
(in thousands)

	2016	2015
Revenue:		
Services and software	**$ 12,801**	$ 12,193
Cost of revenue	**5,654**	3,274
Gross profit	**7,147**	8,919
Operating expenses:		
Research and development	**4,059**	3,101
Selling and marketing	**1,316**	1,179
General and administrative	**4,188**	5,009
Total operating expenses	**9,563**	9,289
Loss from operations	**(2,416)**	(370)
Other income (expenses):		
Other income, net	**101**	435
Interest expense	**(1,594)**	(1,369)
Total other income (expenses)	**(1,493)**	(934)
Loss before provision for income taxes	**(3,909)**	(1,304)
Corporate income tax provision	**367**	1,739
Net loss	**$ (4,276)**	$ (3,043)

See notes to consolidated financial statements.

iSystems Holdings LLC and Subsidiaries

Consolidated Statements of Members' Capital
Years Ended December 31, 2016 and 2015
(in thousands except unit and per unit information)

	Membership Units		Accumulated Deficit	Total Members' Capital
	Units	Amount		
Beginning balance, December 31, 2014	30,400	$ 14,155	$ (662)	$ 13,493
Issuance of preferred and Class A units in connection with acquisition transaction (Note 3)	1,000	400	—	400
Issuance of preferred and Class A units (Note 10)	200	100	—	100
Member capital contributions	5,600	2,800	—	2,800
Vested Class A units issued to management	100	—	—	—
Vested Class A units forfeited by management	(15)	—	—	—
Net loss	—	—	(3,043)	(3,043)
Ending balance, December 31, 2015	37,285	17,455	(3,705)	13,750
Member capital contributions	4,984	2,492	—	2,492
Issuance of preferred A-1, preferred, and Class A units (Note 10)	100	50	—	50
Vested Class A units issued to management	71	—	—	—
Vested Class A units forfeited by management	(129)	—	—	—
Net loss	—	—	(4,276)	(4,276)
Ending balance, December 31, 2016	**42,311**	**$ 19,997**	**$ (7,981)**	**$ 12,016**

See notes to consolidated financial statements.

iSystems Holdings LLC and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2016 and 2015
(in thousands)

	2016	2015
Cash flows from operating activities:		
Net loss	**$ (4,276)**	$ (3,043)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization expense	**4,658**	3,020
Loss on disposal of assets	**17**	—
Non-cash interest expense	**304**	114
Provision for allowance for doubtful accounts	**13**	60
Deferred income taxes	**365**	1,733
Change in fair value of contingent obligation	**(101)**	(385)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Restricted cash	**878**	(611)
Accounts receivable	**(65)**	(25)
Unbilled accounts receivable	**66**	(101)
Prepaid expenses and other assets	**(75)**	(137)
Increase (decrease) in:		
Accounts payable and accrued expenses	**268**	413
Accrued compensation	**(177)**	534
Client fund obligations	**(878)**	411
Deferred revenue	**325**	246
Other liabilities	**313**	—
Net cash provided by operating activities	**1,635**	2,229
Cash flows from investing activities:		
Proceeds from disposal of assets	**3**	—
Purchases of property and equipment	**(332)**	(692)
Software development costs	**(2,412)**	(4,041)
Acquisitions, net of cash acquired (Note 3)	**—**	(1,950)
Net cash used in investing activities	**(2,741)**	(6,683)
Cash flow from financing activities:		
Principal payments on term loan	**(200)**	(200)
Debt issuance costs	**(120)**	(76)
Issuance of preferred and Class A units	**—**	100
Issuance of preferred, preferred A-1, and Class A units	**50**	—
Member capital contributions	**2,492**	2,800
Net cash provided by financing activities	**2,222**	2,624
Net increase (decrease) in cash	**1,116**	(1,830)
Cash, beginning of period	**484**	2,314
Cash, end of period	**$ 1,600**	$ 484
Supplemental disclosures of cash flow information:		
Cash paid for income taxes	**$ 3**	$ —
Cash paid for interest	**$ 1,290**	$ 1,256
Acquisitions:		
Net assets acquired		$ 2,439
Less: cash acquired		—
Less: fair value of preferred and Class A units issued		(400)
Less: liability for contingent obligations		(89)
Total assets and liabilities acquired, net of cash acquired		$ 1,950

See notes to consolidated financial statements.

Note 1. Nature of Operations

Description of business: iSystems Holdings, LLC (the "Parent"), together with its wholly owned subsidiary iSystems Intermediate Holdco, Inc. ("Holdco") and Holdco's wholly owned subsidiaries iSystems LLC ("iSystems") and evoPro Solutions, Inc. ("evoPro"), collectively the "Company," is a leading provider of human capital management software solutions and services for payroll service bureaus in the United States.

The Parent was formed in April 2014 by Silver Oak Services Partners ("SOSP") and is registered in the State of Delaware. Holdco, founded in April 2014, is a Delaware corporation. iSystems, founded in 1998, is a Vermont limited liability company. evoPro, founded in 2012, is a corporation registered in the State of Florida.

All of the Company's revenue is generated within the United States and is comprised primarily of services revenue and licenses of its EvolutionHCM software platform. The Company licenses its EvolutionHCM software platform on either a term or software-as-a-service basis to payroll service bureaus, banks, accounting firms or other business that provide payroll services.

Note 2. Summary of Operations and Significant Accounting Policies

Basis of presentation: The accompanying consolidated financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets generally accepted accounting principles ("GAAP") that the Company follows to ensure its financial condition, results of operations and cash flows are consistently reported. References to GAAP issued by the FASB in these notes to the consolidated financial statements are to the FASB Accounting Standards Codification ("ASC").

Principles of consolidation: The accompanying consolidated financial statements include the results of operations of the iSystems Holdings, LLC and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Use of estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Significant estimates in the financial statements include revenue recognition, allowance for doubtful accounts, valuation and impairment of intangible assets and goodwill, useful lives of capitalized software development costs, contingent earn-out obligations and income taxes. Actual results could differ from those estimates.

Cash and cash equivalents: The Company considers all highly liquid investments with original maturities of three months or less, when purchased, to be cash equivalents. There were no cash equivalents as of December 31, 2016 and 2015.

Restricted cash and client fund obligations: Restricted cash consists of funds held in non-interest bearing bank accounts with federally insured financial institutions. Restricted cash classified as current represents funds that are received on behalf of clients for remittance to certain tax authorities, and that are reported as client fund obligations in the accompanying consolidated balance sheets. Restricted cash classified as non-current represents funds restricted under the terms of the Company's operating lease agreements.

Note 2. Summary of Operations and Significant Accounting Policies (Continued)

Concentration of credit risk: Financial instruments, which potentially subject the Company to concentration of credit risk, consist principally of cash and cash equivalents, restricted cash, and accounts receivable. The Company deposits its cash and cash equivalents with major financial institutions that management believes are of high credit quality; however, at times, balances exceed Federal Deposit Insured Corporation insured limits. The Company has not experienced any losses on its deposits of cash and cash equivalents. Management believes that the institutions are financially sound and, accordingly, minimal credit risk exists.

Accounts receivables: The Company reviews accounts receivable on a periodic basis to determine if any receivables will potentially be uncollectible. Estimates are used to determine the amount of the allowance for doubtful accounts necessary to reduce accounts receivable to its estimated net realizable value. The estimates are based on an analysis of past due receivables, current economic conditions, and customer specific information. If the Company is unsuccessful in its attempts to collect its past due receivables, the Company will write the receivable off against its allowance for doubtful accounts and send the receivable to a third- party collection agency to attempt collection. As of December 31, 2016 and 2015, the Company had an allowance for doubtful accounts of $20 and $33, respectively. At December 31, 2016 and 2015, no customers accounted for greater than 10% of revenues or accounts receivable.

Property and equipment: The Company records property and equipment at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets, which are between three and five years. Leasehold improvements are amortized over the remaining period of the lease, or the estimated useful life of the improvement, whichever is shorter. Maintenance and repairs that do not extend the life or improve the asset are expensed when incurred.

Impairment of long-lived assets: The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such asset groups may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset group to future undiscounted net cash flows expected to be generated by the asset group. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. No impairment charges were recorded during the years ended December 31, 2016 and 2015.

Goodwill: The Company accounts for business combination pursuant to FASB ASC 805, *Business Combinations*. Goodwill in such acquisition represents is the excess of the purchase price paid over the fair value of identifiable net assets acquired in a business combination. Amounts assigned to goodwill are determined with the assistance of an independent third-party appraiser through established valuation techniques.

Under FASB ASC 350, *Intangibles — Goodwill and Other,* goodwill must be reviewed annually for impairment or more frequently if impairment indicators arise. In accordance with FASB ASC 350, an entity has the option to perform a qualitative assessment to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. If an entity determines this is the case, it is required to perform the two-step goodwill impairment test to identify potential goodwill impairment and measure the amount of goodwill impairment loss to be recognized. If an entity determines that it is more-likely-than-not that the fair value of a reporting unit is greater than its carrying amount, the two-step goodwill impairment test is not required. Applying this guidance, the Company must perform a Step 1 goodwill impairment analysis, which involves estimating the fair value of its reporting unit and comparing it to the fair value of the net assets of the reporting unit. If the fair value is less than its carrying value, then the Company should perform Step 2 and determine the fair value of goodwill. In Step 2, the fair value of goodwill is determined by deducting the fair value of a reporting unit's identifiable assets and liabilities from the fair value of the reporting unit as a whole, as if that reporting unit had just been acquired and the purchase price were being initially allocated. At December 31, 2016 and 2015, other than goodwill, the Company had no indefinite-lived intangible assets. The Company determined that no impairment of the goodwill had occurred during the years ended December 31, 2016 and 2015.

Note 2. Summary of Operations and Significant Accounting Policies (Continued)

Intangible assets: Intangible assets represent the Company's estimate of identifiable intangible assets recognized in accounting for its acquisitions. The values assigned to the intangible assets were determined by management based on third party valuations using a market approach and a discounted cash flow analysis.

Intangible assets are initially recorded at fair value and are amortized over the estimated useful lives of the respective assets. Estimated useful lives were determined by management as follows:

Tradenames	10 years
Developed technology	3-7 years
Customer relationships	7 years
Non-compete agreements	2-3 years

Software development costs: The Company is developing new products which the Company intends to offer utilizing software as-a-service ("SaaS"). The Company follows the guidance of ASC 350-40, *Intangibles — Goodwill and Other — Internal-Use Software*, for development costs related to these new products. Costs incurred in the planning stage are expensed as incurred while costs incurred in the application and infrastructure stage are capitalized, assuming such costs are deemed to be recoverable. Costs incurred in the operating stage are generally expensed as incurred except for significant upgrades and enhancements. Capitalized software costs are amortized over the software's estimated useful life, which management has determined to be three years. During the years ended December 31, 2016 and 2015, the Company capitalized $2,412 and $4,041 of software development costs, respectively.

Fair value measurements: GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair values of all reported assets and liabilities that represent financial instruments, the Company uses the carrying market values of such amounts. The standard establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources. Unobservable inputs reflect a reporting entity's pricing an asset or liability developed based on the best information available in the circumstances. The fair value hierarchy consists of the following three levels:

Level 1: Instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. The Company does not have any instruments valued using the criteria of Level 1 inputs.

Level 2: Instrument valuations are obtained from readily-available pricing sources for comparable instruments. The Company does not have any instruments valued using the criteria of Level 2 inputs.

Level 3: Instrument valuations are obtained without observable market values and require a high-level of judgment to determine the fair value. The Company does not have any instruments valued using the criteria of Level 3 inputs.

Note 2. Summary of Operations and Significant Accounting Policies (Continued)

For financial instruments consisting of cash and cash equivalents, restricted cash, prepaid expenses and other current assets, accounts payable, the current portion of term debt and accrued expenses, the carrying amounts are reasonable estimates of fair value due to their relatively short maturities. The carrying amount reflected on the accompanying consolidated balance sheets for the term loan approximates fair value since the stated rate is similar to rates currently available to the Company for debt with similar terms and maturities.

Revenue recognition: The Company derives its revenues from two types of licenses: (i) software-as-a-service subscription licenses from customers accessing the Company's cloud computing services, and (ii) term licenses which are self-hosted by the customer. Included within the Company's contracts are monthly usage charges which are comprised of fees for payroll and tax calculations and checks generated by the software, fees charged for hosting the software and providing data backup services, payroll tax administration services, employee payment services, and payroll processing services.

The Company recognizes revenue when all of the following conditions are satisfied:

- there is persuasive evidence of an arrangement;
- the service has been or is being provided to the customer;
- the collection of the fees is reasonably assured; and
- the amount of fees to be paid by the customer is fixed or determinable.

For the term licenses, the customer takes possession of the software, therefore, revenue is recognized in accordance with FASB ASC 985-605. For software-as-a service subscription licenses, the customer does not take possession of the software and could not do so without significant penalty, therefore revenue is recognized in accordance with FASB ASC 605-25.

The Company primarily enters into software-as-service subscription licenses. These arrangements are typically multiple element arrangements, with the monthly usage fees a component of the contract. The Company has determined that all delivered items within its multi-element arrangements do not have value to the customer on a stand-alone basis, and therefore all of the arrangements are accounted for as a single unit of accounting and the total consideration is recognized ratably over the longer of the contractual term or estimated life of the customer relationship, which approximates 83 months, commencing when all of the significant performance obligations have been delivered and when all the revenue recognition criteria have been met.

For multiple element arrangements that include term licenses, support and professional services, the Company recognizes all elements ratably over the estimated support period, as the Company has not been able to establish vendor specific objective evidence ("VSOE") for the undelivered elements and the Company has a history of providing implied maintenance.

Deferred revenue primarily consists of billings and payments received in advance of revenue recognition for the license of the Company's software, software-as-a-service and annual support contracts. Deferred revenue to be recognized in the next twelve months is included in current deferred revenue and the remaining amounts are included in long-term deferred revenue in the accompanying consolidated balance sheets.

Note 2. Summary of Operations and Significant Accounting Policies (Continued)

At times, the Company provides software access or services for customers in advance of invoicing for such access and services. These amounts are recorded as unbilled accounts receivables in the accompanying consolidated balance sheets, and amount to $1,068 and $1,134 at December 31, 2016, and 2015, respectively.

Income taxes: iSystems Holdings, LLC and its members have elected to be taxed as a partnership. Accordingly, for federal and state income tax purposes, all income, losses, and other tax attributes pass through to the members' individual income tax returns and no provision for income taxes has been recorded in the accompanying consolidated financial statements in connection with the partnership entity. iSystems, LLC is a single member LLC, therefore it is a disregarded entity for tax purposes.

iSystems Intermediate Holdco, Inc. as well as evoPro Solutions, Inc., are taxed as corporations. Accordingly, the entities account for income taxes by recognizing tax assets and liabilities for the cumulative effect of all the temporary differences between financial statement carrying amounts and the tax basis of assets and liabilities. Deferred taxes are determined using enacted tax rates in effect in the year in which the differences are expected to reverse. Valuation allowances are provided if based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

Under the provisions of FASB ASC 740, *Income Taxes*, as it relates to accounting for uncertainties in tax positions, the Company recognizes the tax benefit of tax positions to the extent that the benefit will more likely than not be realized. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances. For the years ended December 31, 2016 and 2015, the Company did not have any uncertain tax positions.

Research and development expenses: Costs incurred in research and other product development activities, including those which may be offered as self-hosting, are expensed as incurred if the activities do not otherwise qualify to be capitalized as internal use computer software, and are comprised of various product development programs.

Advertising costs: The Company expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2016 and 2015 was approximately $13 and $77, which is included in Selling and Marketing expenses in the accompanying consolidated statements of operations, respectively.

Unit-based compensation: The measurement and recognition of compensation expense for all unit-based payment awards made to employees and directors is based on estimated grant date fair values. For unit grants with time-based vesting, the related expense is recognized over the requisite service period. For unit grants with contingent-based performance vesting, the related expense is recognized upon the occurrence of a performance-based vesting event.

(in thousands, except unit and per unit amounts)

Note 3. Acquisitions

Acquisition of assets from Blue Gecko Software, Inc.: On March 17, 2015, the Company purchased certain assets from Blue Gecko Software, Inc. ("BGSI") for $500 in cash, 500 preferred units and 500 Class A Units of the Company. The purchased assets include intellectual property such as software, trademarks and domain names along with related computer equipment. The Company purchased the BGSI assets to develop an analytics offering to complement its human capital management software solutions. In connection with the acquisition of the BGSI assets, the members of the Company contributed $800 of additional equity to fund the acquisition. The transaction was accounted for under the acquisition method of accounting.

In addition, the Company entered into a two year consulting arrangement with BGSI to support the development of the Company's analytics offering along with general management consulting. The consulting agreement can be terminated at any time by either party with thirty days prior written notice. The consulting agreement requires monthly payments totaling $13, an annual bonus potential of $50 and a share of the revenue directly attributable to the analytics products derived from the BGSI assets for a twenty four month period following release and launch of the offering. For the first twelve month period following release and launch the revenue share is 10% and for the second twelve month period the revenue share rate is 5%.

The royalties were valued at $89 at the date of acquisition based on revenue projections which management believed were probable at the time of the transaction. This obligation was recorded in other long-term liabilities of the accompanying consolidated balance sheets. At December 31, 2015, the fair value of the obligation was increased to $104 based on revised revenue projections. A loss on the change in the fair value of the obligation was recorded during the year ended December 31, 2015 in the accompanying consolidated statements of operations. At December 31, 2016, the fair value of the obligation decreased to $3 due to the delayed launch of the product and on revised revenue projections. A gain of $101 on the change in the fair value of the obligation was recorded, and is included in other income on the accompanying consolidated statement of operations for the year ending December 31, 2016.

The purchase price consideration, is set forth in the table below.

Cash consideration	$	500
Fair value of 500 Preferred units and 500 Class A Units issued		400
Fair value of future earn-out obligations		89
	$	989

The following table summarizes the allocation of the purchase price to the fair value of the assets acquired at the acquisition date:

		March 17, 2015
Property and equipment	$	8
Intangible asset — technology		110
Intangible asset - non-competes		10
Goodwill		861
Purchase price	$	989

(in thousands, except unit and per unit amounts)

Note 3. Acquisitions (Continued)

Acquisition of assets from SS Software Technologies, LLC: On May 6, 2015, the Company purchased software source code, on a non-exclusive basis, from SS Software Technologies, LLC ("SS Software") for $1,500 in cash less a $50 credit for three hundred twenty support hours in consideration of future services to remediate known and unresolved issues with respect to the software acquired. As a result, the total purchase price consideration for the acquisition was $1,450. In connection with the acquisition of the source code from SS Software, the members of the Company contributed $2,000 of additional equity to fund the acquisition. The transaction was accounted for under the acquisition method of accounting.

The purchased software include full and complete copies of the PowWowHR, The Port, OnTimely and Recordminder software and related databases. The Company purchased the SS Software source code to enhance and complement its human capital management software solutions.

The following table summarizes the allocation of the purchase price to the fair value of the assets acquired at the acquisition date:

	May 6, 2015
Prepaid expenses	$ 27
Intangible asset — technology	460
Goodwill	963
Purchase price	$ 1,450

Earn-out obligation: On May 1, 2014, the Parent purchased certain assets and liabilities of iSystems and evoPro and accounted for the transaction under the acquisition method of accounting. The purchase price of this transaction included an earn-out obligations that was based upon evoPro reaching certain financial targets within a specified period of time.

The evoPro earn-out obligation (the "evoPro Obligation"), valued at $400 at the date of acquisition, is payable to the sellers based upon evoPro's EBITDA results for a twenty four month period from the anniversary date of the acquisition transaction (May 1, 2014). Payment of the evoPro Obligation is to be made from 50% of the future excess cash flow subsequent to the twenty four month period until the evoPro Obligation is paid in full and accrues interest at a rate of 8% per annum, compounded annually on each anniversary date of the acquisition transaction. At the twelve month anniversary date, the evoPro Obligation was re-measured based upon the EBITDA results of evoPro for such twelve month period. In accordance with the agreement, the evoPro Obligation was reduced dollar-for-dollar in the amount by which EBITDA was lower than zero for the twelve month period ended April 30, 2015. At the time of the transaction and as of December 31, 2014, based upon projections and historical performance, management believed achievement of these targets was probable. However, in 2015 management determined that achievement of the targets was no longer probable, and as a result, the value of the evoPro Obligation was reduced to zero. A gain on the change in the fair value of the obligation of $400 was recorded in 2015 in the accompanying consolidated statements of operations. The measuring period on the obligation expired on April 30, 2016 and no payment was made during the year ended December 31, 2016.

(in thousands, except unit and per unit amounts)

Note 3. Acquisitions (Continued)

Fair value of tangible assets, intangible assets and goodwill: The values of current assets and liabilities acquired in the acquisitions were based upon historical costs at the date of acquisition due to their short-term nature. Property and equipment were also estimated based upon historical cost as there was no appreciated real estate and the historical costs of the computers and equipment and furniture and fixtures closely approximated fair value. The estimated value of deferred revenue was based upon the applicable guidance and was calculated as the estimated cost for the Company to fulfill the contractual obligations acquired under various customer contracts plus a normal profit margin. The amounts assigned to identifiable intangible assets acquired were based on respective fair values determined as of the acquisition date. The surplus of acquisition cost over the fair value of the net assets acquired represents goodwill arising from management's belief that several strategic and synergistic benefits are expected to be realized from the combinations. The goodwill is expected to be deductible for tax purposes.

Transaction costs: There were no transaction costs incurred for the year ended December 31, 2016. For the year ended December 31, 2015, transaction costs for the acquisitions of SS Software and BGSI totaled $69 and were comprised primarily of transaction advisory services and closing costs. These transaction costs incurred in 2015 were recorded in general and administrative operating expenses in the accompanying consolidated statements of operations.

Note 4. Property and Equipment

Property and equipment consists of the following as of December 31, 2016 and 2015:

	Useful Life	2016	2015
Computers and equipment	3 years	$ 1,162	$ 1,105
Furniture and fixtures	5 years	145	71
Leasehold improvements	Life of lease	26	10
		1,333	1,186
Less accumulated depreciation		(666)	(450)
		$ 667	$ 736

Depreciation expense amounted to $381 and $280 for the years ended December 31, 2016 and 2015, respectively.

Note 5. Software Development Costs

Software development costs consist of the following as of December 31, 2016 and 2015:

	2016	2015
Software development costs	$ 6,577	$ 4,165
Less accumulated amortization	(2,261)	(437)
	$ 4,316	$ 3,728

Amortization expenses amounted to $1,824 and $437 for the years ended December 31, 2016 and 2015 which was recorded to cost of revenue in the accompanying consolidated statements of operations.

(in thousands, except unit and per unit amounts)

Note 6. Intangible Assets

Intangible assets consists of the following as of December 31, 2016 and 2015:

2016	Carrying Amount	Accumulated Amortization	Net Balance
Tradename	$ 1,120	$ (298)	$ 822
Developed technology	3,560	(1,405)	2,155
Customer relationships	11,730	(4,469)	7,261
Non-compete agreements	130	(115)	15
	$ 16,540	$ (6,287)	$ 10,253

2015	Carrying Amount	Accumulated Amortization	Net Balance
Tradename	$ 1,120	$ (186)	$ 934
Developed technology	3,560	(788)	2,772
Customer relationships	11,730	(2,792)	8,938
Non-compete agreements	130	(70)	60
	$ 16,540	$ (3,834)	$ 12,706

No significant residual value is estimated for these intangible assets at the end of their useful lives. Aggregate amortization expense for the years ended December 31, 2016 and 2015 totaled $2,453 and $2,303, respectively of which, $620 and $472 for the years ending December 31, 2016 and 2015, respectively, was recorded to cost of revenue in the accompanying consolidated statements of operations. The remaining amortization expense of intangibles incurred in 2016 and 2015 was recorded to general and administrative operating expenses in the accompanying consolidated statements of operations. The following table represents the total estimated amortization of intangible assets for the five succeeding years and thereafter ending December 31:

2017	$ 2,423
2018	2,377
2019	2,198
2020	2,188
2021	804
Thereafter	263
Total	$ 10,253

Note 7. Related Party Transactions

Silver Oak Services Partners: The Company has entered into a management services agreement with Silver Oak Management II, L.P. ("Silver Oak"). In connection with the agreement, Silver Oak will provide the Company general executive and management services and other services from time to time upon which the Company's Board of Directors and Silver Oak agree. The initial term of the agreement is for a ten year period commencing on May 1, 2014 after which time the agreement is automatically extended for a one year period on a year to year basis. After the initial term, the agreement may be terminated not less than 90 days prior to the expiration of the initial term or any one year extension. Annual minimum fees due in connection with the management services agreement total $500, payable on a quarterly basis, along with out-of-pocket expenses.

During the years ended December 31, 2016 and 2015, the Company recorded a total of $512 and $511 of expenses on its consolidated statements of operations, respectively, for management services.

Madison Capital Funding, LLC: In connection with the acquisition in May 2014, the Company's subsidiary iSystems, LLC entered into a credit agreement with Madison Capital Funding LLC (Madison Capital), a minority member of the Company, for a term loan totaling $20,000 and a revolving credit facility totaling $2,500. For more information see Note 8. During the years ended December 31, 2016 and 2015, iSystems recorded $1,445 and $1,269 of interest expense and unused credit facility fees on its consolidated statements of operations in connection with the credit agreement, respectively.

Summit Run Investments: iSystems leased its headquarters facility from Summit Run Investments, Inc., a company owned by a minority member of the Company, under a lease that expired on March 31, 2016. During the years ended December 31, 2016 and 2015, the Company recorded $169 and $302 of lease and common area maintenance costs, respectively, on its consolidated statements of operations in connection with this lease.

Pay Data: iSystems and evoPro utilize Pay Data, a company owned by a minority member of the Company, for employee payroll processing services. Expenses for payroll processing services provided by Pay Data was $11 and $5, respectively, during the years ended December 2016 and 2015. There were no amounts due to Pay Data at December 31, 2016 and 2015.

Pay Data is also a licensee of the iSystems EvolutionHCM software and utilizes certain services provided by evoPro. During the years ended December 31, 2016 and 2015, the Company recorded $318 and $332 of revenue from Pay Data, respectively. The Company had $26 and $32 of outstanding accounts receivable on its consolidated balance sheets due from Pay Data at December 31, 2016 and 2015, respectively.

Note 8. Term Loan and Revolving Credit Facility

In connection with the acquisition in May 2014, the Company's subsidiary iSystems, LLC entered into a credit agreement (the "Credit Agreement") with Madison Capital for a $20,000 term loan (the "Term Loan") and a $2,500 Revolving Credit Facility (the "Credit Facility"). The Term Loan and the Credit Facility are secured by substantially all business assets of the Company.

(in thousands, except unit and per unit amounts)

Note 8. Term Loan and Revolving Credit Facility (Continued)

In March 2015, iSystems and Madison Capital entered into the First Amendment to Credit Agreement (the "First Amendment"). The First Amendment provides Madison Capital's consent to the purchase of certain assets from BGSI. In addition, Madison Capital waived the excess cash flow payment due based upon 2014 financial results, modified the applicable margin along with certain terms and covenants and reduced the borrowing availability under the terms of the revolving credit facility to $1,500.

In May 2015, iSystems and Madison Capital entered into the Second Amendment to Credit Agreement (the "Second Amendment"). The Second Amendment provides Madison Capital's consent to the purchase of software assets from SS Software and modified certain terms and covenants.

In February 2016, the Company entered into the Third Amendment to the Credit Agreement with Madison Capital (the "Third Amendment"). The Third Amendment provided forbearance for defaults which occurred at December 31, 2015 and required the Company pay a default charge of 0.75% and a PIK rate of 0.75%. The Amendment also added certain debt covenants during the forbearance period and reduced the borrowing availability under the terms of the revolving credit facility to $0.

In June 2016, iSystems and Madison Capital entered into the Fourth Amendment to the Credit Agreement (the "Fourth Amendment") which waived certain past debt covenant compliance violations. The Fourth Amendment also amended the PIK rate, Base Rate, and LIBOR Rate to be scaled based on the total debt to EBITDA ratio and modified certain debt covenants as well as increased the borrowing availability under the terms of the revolving credit facility to $1,000. Simultaneously, Madison Capital entered an Investment Agreement with Silver Oak Services Partners II, L.P. The Investment Agreement provides a required leverage investment of $3,500 be paid to Madison if an event of default occurs with iSystems.

In September 2016, the Company entered in the Fifth Amendment to the Credit Agreement (the "Fifth Amendment) which modified certain covenants.

Term loan: At December 31, 2016 and 2015, the outstanding balance of the Term Loan is as follows:

	2016	2015
Term loan		
Short-term portion:		
Term loan, short-term	$ 200	$ 200
Debt issuance costs	(144)	(111)
	56	89
Long-term portion:		
Term loan, long-term	19,457	19,500
Debt issuance costs	(182)	(242)
	19,275	19,258
Total	$ 19,331	$ 19,347

Principal payments of $50 are due quarterly commencing on September 30, 2014. All remaining principal, together with any unpaid interest is due on May 1, 2019. The Term Loan bears monthly interest at a rate based upon either a base rate or LIBOR rate plus an applicable margin that varies between 3.25% and 5.5% based upon certain iSystems financial results, as defined in the agreement. During the years ended December 31, 2016 and 2015, the term loan accrued interest at the LIBOR rate and PIK rate, plus applicable margin, equated to 7.0% and 6.25% per annum, respectively. PIK interest incurred for the years ended December 31, 2016 and 2015 was $157 and $0, respectively.

(in thousands, except unit and per unit amounts)

Note 8. Term Loan and Revolving Credit Facility (Continued)

The term loan also contains certain financial ratio covenants, an annual capital expenditure covenant along with an annual mandatory principal payment based upon a computation of excess annual cash flow, which was waived for 2015 and 2016.

Credit Facility: The Credit Facility expires in May 2019 and charges monthly interest on the same basis as the Term Loan. The Credit Facility is in place for general business needs. The Company did not have any borrowings or balances outstanding under the Credit Facility during the years ended December 31, 2016 and 2015.

Deferred financing costs: The Company incurred financing costs to the lender totaling $120 in 2016 and $76 in 2015 in connection with the amendments of the term note. These fees are classified as a debt discount and are being amortized over the life of the agreement. Amortization expense for the years ended December 31, 2016 and 2015 was approximately $147 and $114, which is included as a component of interest expense in the consolidated statements of operations.

Note 9. Commitments and Contingencies

Operating leases: During 2016 and 2015, the Company had operating leases for its corporate headquarters in Colchester, Vermont and office locations in Woodstock, Vermont and Bradenton, Florida. The terms of the leases provide for rent and common area maintenance payments on a flat monthly basis. The Company's lease for its corporate headquarters in Colchester, Vermont expired on March 31, 2016, the lease for its facility in Woodstock, Vermont expired on January 31, 2017 and the lease for its facility in Bradenton, FL expired on November 30, 2016.

On October 27, 2015, the Company entered into a rental lease agreement for its new corporate headquarters, located in South Burlington, Vermont. The terms of the lease provides for rent and common area maintenance payments with a 3% annual escalation clause. The lease began April 1, 2016 and expires on June 30, 2026.

The Company recognizes rent expense on a straight-line basis over the lease period. Rent expense was $377 and $247 for the years ended December 31, 2016 and 2015, respectively. At December 31, 2016, future minimum lease payments under operating leases are as follows for the years ending December 31:

2017	$ 251
2018	260
2019	267
2020	275
2021	282
Thereafter	1,355
	$ 2,690

Extended payment plan: In August 2016, the Company entered into an extended payment plan with one of its vendors in which 12.5% of the fees for services performed would be paid within approximately 30 days and the remaining 87.5% of the fees would be due in quarterly installments upon the completion of the project as determined by the Company. Additionally, the Company agreed to pay interest of 10.0% per annum based the amount of the previous months' invoices less any payments made, and at the end of each twelve months, the Company would remit all accrued interest to the vendor. Upon the completion of the project, the Company would then begin paying quarterly interest payments.

Note 9. Commitments and Contingencies (Continued)

At December 31, 2016, the Company owed the vendor $197 which was recorded in other long term liabilities in the consolidated balance sheet. For the year ended December 31, 2016, the Company accrued $2 of interest due to the vendor, which was included as a component of interest expense in the consolidated statements of operations.

Note 10. Members' Capital

Upon the formation of the Company, classes of members' capital were established in the form of Preferred units and Class A, Class B, Class C and Class D Common units (collectively the "Common units").

The rights and obligations of the holders of the share capital are governed by the Limited Liability Company Agreement of iSystems Holdings, LLC (the "Agreement"). The Agreement provides for the limitation of the holders liability to be that of their respective capital contributions as defined in the Agreement. In December 2015, the members amended and restated the Agreement to provide a new class of units, A-1 Preferred units, and to increase the number of authorized Class A units to be issued.

The Agreement provides for the net profits and net losses as defined in the Agreement to be allocated among the shareholders in a manner which would reflect the distributions that would occur in the event of liquidation of the LLC or in a manner which reflects the distribution preferences that are outlined in the Agreement.

During the year ended December 31, 2015, members of the Company contributed $2,800 in exchange for 2,800 preferred units and 2,800 Class A units. In addition, the Company received $100 in exchange for 100 preferred units and 100 Class A units. The Company also received $200 in exchange for 200 preferred units and 200 Class A units.

During the year ended December 31, 2016, members of the Company contributed $2,492 in exchange for 2,492 A-1 preferred units, and 2,492 Class A units. During the year ended December 31, 2016, the Company received $50 in exchange for 6 A-1 preferred units, 44 preferred units, and 50 Class A units.

(in thousands, except unit and per unit amounts)

Note 10. Members' Capital (Continued)

The following table lists by class the number of authorized units of the Company and the number of units issued and outstanding, excluding units granted but not yet vested, as of December 31, 2016 and 2015.

	Authorized	Issued and Outstanding
Units as of December 31, 2016:		
A-1 Preferred	10,000	2,498
Preferred	22,500	18,644
Class A	32,500	21,169
Class B	900	—
Class C	900	—
Class D	900	—
	67,700	42,311

	Authorized	Issued and Outstanding
Units as of December 31, 2015:		
A-1 Preferred	10,000	—
Preferred	22,500	18,600
Class A	32,500	18,685
Class B	900	—
Class C	900	—
Class D	900	—
	67,700	37,285

A-1 Preferred units: The following summarizes certain features of the A-1 Preferred units:

- **Voting:** The A-1 Preferred units are not voting shares of the Company; however, any significant event or transaction as defined in the Agreement, other than in the ordinary course of business, requires the written consent or affirmative vote of the members holding a majority of the outstanding A-1 Preferred units.

- **Conversion rights:** The A-1 Preferred units are not convertible into common shares or any other type of share.

- **Liquidation:** In the event of liquidation or dissolution of the Company or upon certain transactions involving acquisition of majority control of the Company or sale of all or substantially all of the assets of the Company, the holders of the Preferred units are entitled to receive, prior to any distributions being made to holders of the Preferred units or the Common units, an amount equal to the purchase price, plus any unpaid preferred return. Holders of the Preferred units are entitled to receive a cumulative preferred return whether or not declared at a rate of 18.0% per annum or two times their Class A-1 purchase price, whichever is greater. The A-1 preferred return is senior to, and payable in preference to, all other distributions or dividends, except for tax distribution amounts, as defined in the operating agreement. As of December 31, 2016 the A-1 Preferred accruing return was $4,996.

Note 10. Members' Capital (Continued)

Preferred units: The following summarizes certain features of the Preferred units:

- **Voting:** The Preferred units are not voting shares of the Company; however, any significant event or transaction as defined in the Agreement, other than in the ordinary course of business, requires the written consent or affirmative vote of the members holding a majority of the outstanding Preferred units.

- **Conversion rights:** The Preferred units are not convertible into common shares or any other type of share.

- **Liquidation:** In the event of liquidation or dissolution of the Company or upon certain transactions involving acquisition of majority control of the Company or sale of all or substantially all of the assets of the Company, the holders of the Preferred units are entitled to receive, prior to any distributions being made to holders of Common units, an amount equal to the purchase price, plus any unpaid preferred return. Holders of the Preferred units are entitled to receive a cumulative preferred return whether or not declared at a rate of 12.5% per annum. The preferred return is senior to, and payable in preference to, all other distributions or dividends, except for tax distribution amounts, as defined in the operating agreement. As of December 31, 2016 the Preferred accruing return was $6,691.

Common units: The following summarizes certain features of the common units:

- **Voting:** The Class A units are voting shares of the Company and entitle the holder of such Class A unit to one vote on any matter to be voted on by unitholders as provided in the Agreement or required by applicable law; however, any significant event or transaction as defined in the Agreement, other than in the ordinary course of business, also requires the written consent or affirmative vote of the members holding a majority of the outstanding Preferred units. The Class B, C and D units are nonvoting shares of the Company.

- **Conversion rights:** The Common units are not convertible into Preferred shares or any other type of share of the Company.

- **Dividend rights:** The Common units do not accrue dividends.

- **Liquidation:** In the event of liquidation or dissolution of the Company or upon certain transactions involving acquisition of majority control of the Company or sale of all or substantially all of the assets of the Company, the holders of the Common units are entitled to receive, after distributions are made to holders of the Preferred units, the following:

    - Class A unitholders — the product of two multiplied by the aggregate amount of capital contributions then made by the holders of Silver Oak Services Partners Equity ("SOSP equity"), to be shared ratably among such holders in the proportion of the number of Class A units held by each such holder.

    - Class B unitholders — the product of three multiplied by the aggregate amount of capital contributions then made by the holders of SOSP equity, to the holders of the Class A and B units, to be shared ratably among such holders in the proportion of the number of Class A and B units held by each such holder.

(in thousands, except unit and per unit amounts)

Note 10. Members' Capital (Continued)

- Class C unitholders — the product of four multiplied by the aggregate amount of capital contributions then made by the holders of SOSP equity, to the holders of the Class A, B and C units, to be shared ratably among such holders in the proportion of the number of Class A, B and C Units held by each such holder.

- Class D unitholders - all remaining amounts to the holders of the outstanding Class A, B, C and D units, to be shared ratably among such holders in the proportion of the number of Class A, B, C and Class D units held by each such holder.

Unit-based compensation: The Company has granted to certain members of the Company's Board and management team Class A, B, C and D Units. The Class A Units are subject to time-based vesting requirements and the Class B, C and D units are subject to performance based vesting requirements. The following table sets the activity of units granted.

	Class A Units	Class B Units	Class C Units	Class D Units
Outstanding as of December, 2014	325	325	325	325
Granted	100	100	100	100
Forfeited	(35)	(50)	(50)	(50)
Vested	(100)	—	—	—
Outstanding as of December, 2015	290	375	375	375
Granted	150	150	150	150
Forfeited	(80)	(150)	(150)	(150)
Vested	(71)	—	—	—
Outstanding as of December, 2016	289	375	375	375

The Company's Class A Units that have been granted vest over a five year period of which, 20% vest twelve months after grant date and then vesting is pro-rated on a daily basis for the remaining four year period. During the year ended December 31, 2016, 71 Class A Units were vested and issued. The compensation expense for the current period associated with these units was not significant to the consolidated statements of operations and was not recorded. The Company's Class B, C and D Units vest upon the occurrence of certain corporate transactions and/or distributions, none of which occurred during 2016.

The total unrecognized compensation expense related to non-vested units granted is $18 as of December 31, 2016, respectively, and is expected to be recognized over a weighted average period of 3.75 years.

Note 11. Employee 401(k) Benefit Plan

The Company maintains a retirement plan that qualifies under section 401(k) of the Internal Revenue Code (the "401K Plan"). The 401K Plan allows all employees to participate in the salary deferral portion of the 401K Plan. Enrollment for the 401K Plan occurs twice a year in January and July. Maximum contribution amounts to the 401K Plan are set according to Internal Revenue Service limitations. Certain employees, based upon compensation levels, who have completed one year of service are eligible to participate in the safe harbor portion of the 401K Plan and receive a Company sponsored contribution of 3% of eligible compensation. The Company made contributions of $119 and $69 to the 401K Plan for the years ended December 31, 2016 and 2015, respectively.

(in thousands, except unit and per unit amounts)

Note 12. Income Taxes

The provision for income taxes in the consolidated statements of operations for the years ended December 31, 2016 and 2015 consists of the following:

	2016	2015
Current tax provision (benefit):		
Federal	$ —	$ —
State	2	6
Total current tax provision (benefit)	2	6
Deferred tax provision (benefit):		
Federal	311	1,475
State	54	258
Total deferred tax provision (benefit)	365	1,733
Total tax provision (benefit)	$ 367	$ 1,739

Net deferred tax assets consisted of the following at December 31, 2016 and 2015:

	2016	2015
Deferred tax assets:		
Net operating losses	$ 3,473	$ 2,210
Federal and state credits	326	178
Depreciation	259	43
Accruals and reserves	218	32
Total gross deferred tax assets	4,276	2,463
Valuation allowance	(3,843)	(1,736)
Net deferred tax assets	433	727
Deferred tax liabilities:		
Intangible and goodwill amortization	(433)	(727)
Depreciation	(938)	(573)
Total deferred tax liabilities	(1,371)	(1,300)
Net deferred tax assets	$ (938)	$ (573)

As of December 31, 2016, the Company had federal and state gross net operating losses of approximately $6,618 and $2,075, respectively, which will begin to expire in 2034.

As of December 31, 2016, the Company had federal and state gross research credits of approximately $272 and $54, respectively, which will begin to expire in 2034.

When realization of a deferred tax asset is more likely than not to occur, the benefit related to the deductible temporary differences attributable to operations is recognized as a reduction of income tax expense. Valuation allowances are provided against deferred tax assets when, based on all available evidence, it is considered more likely than not that some portion or all of the recorded deferred tax assets will not be realized in future periods. The ultimate realization of deferred tax assets is dependent upon generation of future taxable income during the period in which those differences become deductible. The Company has concluded it is more likely than not that its deferred tax assets will not be realized in future periods and has recorded a valuation allowance of $3,843 against the related deferred tax asset for the period ended December 31, 2016. During the years ended December 31, 2016, the Company increased the valuation allowance by $2,107.

Note 12. Income Taxes (Continued)

The Company assesses the recording of uncertain tax positions by evaluating the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the consolidated financial statements. The Company's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its consolidated statements of operations.

Utilization of the net operating losses may be subject to a substantial annual limitation under Section 382 of the Internal Revenue Code of 1986 due to ownership change limitations that have occurred previously or that could occur in the future. These ownership changes may limit the amount of net operating loss and research and development credit carryforwards that can be utilized annually to offset future taxable income and tax, respectively.

The Company has not recognized any liabilities for uncertain tax positions or unrecognized tax benefits as of December 31, 2016. The Company does not expect any material change in uncertain tax benefits within the next twelve months.

As of December 31, 2016, the Company is open to examination in the U.S. federal and certain state jurisdictions for tax years ended December 31, 2015, 2014, and 2013. In addition, to the extent the Company has incurred tax net operating losses, the Company remains open to examination to the extent of the operating loss carried forward.

Note 13. Subsequent Events

The Company has evaluated all events occurring from December 31, 2016 through May 22, 2017, the date which these financial statements were available to be issued.

Exhibit 99.3

iSystems Holdings, LLC
and Subsidiaries

Unaudited Consolidated Financial Report
March 31, 2017

Contents

iSystems Holdings LLC and Subsidiaries

Consolidated Balance Sheets
(in thousands)

	March 31, 2017 (Unaudited)	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	**$ 2,190**	$ 1,600
Accounts receivable, net	**118**	140
Unbilled accounts receivable	**1,077**	1,068
Prepaid expenses and other current assets	**253**	261
Total current assets	**3,638**	3,069
Restricted cash	**200**	200
Property and equipment, net	**601**	667
Software development costs, net	**4,087**	4,316
Goodwill	**16,593**	16,593
Intangible assets, net	**9,639**	10,253
Other long-term assets	**63**	63
Total assets	**$ 34,821**	$ 35,161
Liabilities and Members' Capital		
Current liabilities:		
Accounts payable and accrued expenses	**$ 946**	$ 877
Accrued compensation	**601**	621
Deferred revenue, short-term	**255**	288
Term loan, short-term, net of debt issuance costs	**61**	56
Other current liabilities	**289**	48
Total current liabilities	**2,152**	1,890
Term loan, long-term, net of debt issuance costs	**19,280**	19,275
Deferred revenue, long-term	**793**	774
Deferred tax liability	**1,029**	938
Other long-term liabilities	**103**	268
Total liabilities	**23,357**	23,145
Members' capital	**11,464**	12,016
Total liabilities and members' capital	**$ 34,821**	$ 35,161

See notes to unaudited consolidated financial statements.

iSystems Holdings LLC and Subsidiaries

Consolidated Statements of Operations (Unaudited)
(in thousands)

	Three Months Ended March 31,	
	2017	**2016**
Revenue:		
Services and software	**$ 3,502**	$ 3,422
Cost of revenue	**1,437**	1,356
Gross profit	**2,065**	2,066
Operating expenses:		
Research and development	**1,026**	976
Selling and marketing	**224**	352
General and administrative	**887**	1,176
Total operating expenses	**2,137**	2,504
Loss from operations	**(72)**	(438)
Other income (expenses):		
Other income, net	**1**	1
Interest expense	**(390)**	(411)
Total other income (expenses)	**(389)**	(410)
Loss before provision for income taxes	**(461)**	(848)
Corporate income tax provision	**91**	91
Net loss	**$ (552)**	$ (939)

See notes to unaudited consolidated financial statements.

iSystems Holdings LLC and Subsidiaries

Consolidated Statements of Members' Capital
For the three month period ended March 31, 2017 (Unaudited)
(in thousands except unit and per unit information)

	Membership Units		Accumulated Deficit	Total Members' Capital
	Units	Amount		
Ending balance, December 31, 2016	42,311	$ 19,997	$ (7,981)	$ 12,016
Vested Class A units issued to management	11	—	—	—
Net loss	—	—	(552)	(552)
Ending balance, March 31, 2017	**42,322**	**$ 19,997**	**$ (8,533)**	**$ 11,464**

See notes to unaudited consolidated financial statements.

iSystems Holdings LLC and Subsidiaries

Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

	Three Months Ended March 31,	
	2017	**2016**
Cash flows from operating activities:		
Net loss	**$ (552)**	$ (939)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization expense	**1,256**	1,060
Loss on disposal of assets	**—**	21
Non-cash interest expense	**60**	52
Provision for allowance for doubtful accounts	**3**	2
Deferred income taxes	**91**	91
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Restricted cash	**—**	187
Accounts receivable	**19**	(69)
Unbilled accounts receivable	**(9)**	(4)
Prepaid expenses and other assets	**8**	19
Increase (decrease) in:		
Accounts payable and accrued expenses	**69**	8
Accrued compensation	**(20)**	(20)
Client fund obligations	**—**	(187)
Deferred revenue	**(14)**	49
Other liabilities	**76**	11
Net cash provided by operating activities	**987**	281
Cash flows from investing activities:		
Purchases of property and equipment	**(28)**	(140)
Software development costs	**(319)**	(1,070)
Net cash used in investing activities	**(347)**	(1,210)
Cash flow from financing activities:		
Principal payments on term loan	**(50)**	(50)
Member capital contributions	**—**	2,492
Net cash (used in) provided by financing activities	**(50)**	2,442
Net increase in cash	**590**	1,513
Cash, beginning of period	**1,600**	484
Cash, end of period	**$ 2,190**	$ 1,997
Supplemental disclosures of cash flow information:		
Cash paid for income taxes	**$ —**	$ —
Cash paid for interest	**$ 323**	**$ 332**

See notes to unaudited consolidated financial statements.

iSystems Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements (Unaudited)
(in thousands, except unit and per unit amounts)

Note 1. Nature of Operations

Description of business: iSystems Holdings, LLC (the "Parent"), together with its wholly owned subsidiary iSystems Intermediate Holdco, Inc. ("Holdco") and Holdco's wholly owned subsidiaries iSystems LLC ("iSystems") and evoPro Solutions, Inc. ("evoPro"), collectively the "Company," is a leading provider of human capital management software solutions and services for payroll service bureaus in the United States.

The Parent was formed in April 2014 by Silver Oak Services Partners ("SOSP") and is registered in the State of Delaware. Holdco, founded in April 2014, is a Delaware corporation. iSystems, founded in 1998, is a Vermont limited liability company. evoPro, founded in 2012, is a corporation registered in the State of Florida.

All of the Company's revenue is generated within the United States and is comprised primarily of services revenue and licenses of its EvolutionHCM software platform. The Company licenses its EvolutionHCM software platform on either a term or software-as-a-service basis to payroll service bureaus, banks, accounting firms or other business that provide payroll services.

Note 2. Summary of Operations and Significant Accounting Policies

Basis of presentation: The accompanying consolidated financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets generally accepted accounting principles ("GAAP") that the Company follows to ensure its financial condition, results of operations and cash flows are consistently reported. References to GAAP issued by the FASB in these notes to the consolidated financial statements are to the FASB Accounting Standards Codification ("ASC").

The accompanying consolidated balance sheet as of March 31, 2017, consolidated statements of operations, and cash flows for the three months ended March 31, 2017 and 2016, and consolidated statement of members' capital for the three months ended March 31, 2017, are unaudited. The interim unaudited consolidated financial statements have been prepared on the same basis as the annual audited consolidated financial statements and, in the opinion of management, reflect all adjustments, which include normal recurring adjustments, necessary for the fair presentation of the Company's financial position as of March 31, 2017, and the results of its operations and its cash flows for the three months ended March 31, 2017 and 2016. The financial data and other information disclosed in these notes related to the three months ended March 31, 2017 and 2016 and as of March 31, 2017 are unaudited. The results for the three months ended March 31, 2017, are not indicative of results to be expected for the year ending December 31, 2017, any other interim periods or any future year or period.

Principles of consolidation: The accompanying consolidated financial statements include the results of operations of the iSystems Holdings, LLC and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Use of estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Significant estimates in the financial statements include revenue recognition, allowance for doubtful accounts, valuation and impairment of intangible assets and goodwill, useful lives of capitalized software development costs, contingent earn-out obligations and income taxes. Actual results could differ from those estimates.

Note 2. Summary of Operations and Significant Accounting Policies (Continued)

Cash and cash equivalents: The Company considers all highly liquid investments with original maturities of three months or less, when purchased, to be cash equivalents. There were no cash equivalents as of March 31, 2017 and December 31, 2016.

Restricted cash and client fund obligations: Restricted cash consists of funds held in non-interest bearing bank accounts with federally insured financial institutions. Restricted cash classified as current represents funds that are received on behalf of clients for remittance to certain tax authorities, and that are reported as client fund obligations in the accompanying consolidated balance sheets. Restricted cash classified as non-current represents funds restricted under the terms of the Company's operating lease agreements.

Concentration of credit risk: Financial instruments, which potentially subject the Company to concentration of credit risk, consist principally of cash and cash equivalents, restricted cash, and accounts receivable. The Company deposits its cash and cash equivalents with major financial institutions that management believes are of high credit quality; however, at times, balances exceed Federal Deposit Insured Corporation insured limits. The Company has not experienced any losses on its deposits of cash and cash equivalents. Management believes that the institutions are financially sound and, accordingly, minimal credit risk exists.

Accounts receivables: The Company reviews accounts receivable on a periodic basis to determine if any receivables will potentially be uncollectible. Estimates are used to determine the amount of the allowance for doubtful accounts necessary to reduce accounts receivable to its estimated net realizable value. The estimates are based on an analysis of past due receivables, current economic conditions, and customer specific information. If the Company is unsuccessful in its attempts to collect its past due receivables, the Company will write the receivable off against its allowance for doubtful accounts and send the receivable to a third-party collection agency to attempt collection. As of March 31, 2017 and December 31, 2016, the Company had an allowance for doubtful accounts of $23 and $20, respectively. At March 31, 2017 and December 31, 2016, no customers accounted for greater than 10% of revenues or accounts receivable.

Property and equipment: The Company records property and equipment at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets, which are between three and five years. Leasehold improvements are amortized over the remaining period of the lease, or the estimated useful life of the improvement, whichever is shorter. Maintenance and repairs that do not extend the life or improve the asset are expensed when incurred.

Impairment of long-lived assets: The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such asset groups may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset group to future undiscounted net cash flows expected to be generated by the asset group. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. No impairment charges were recorded during the three-month periods ended March 31, 2017 and 2016.

Goodwill: The Company accounts for business combinations pursuant to FASB ASC 805, *Business Combinations*. Goodwill in such acquisition represents is the excess of the purchase price paid over the fair value of identifiable net assets acquired in a business combination. Amounts assigned to goodwill are determined with the assistance of an independent third-party appraiser through established valuation techniques.

(in thousands, except unit and per unit amounts)

Note 2. Summary of Operations and Significant Accounting Policies (Continued)

Under FASB ASC 350, *Intangibles — Goodwill and Other,* goodwill must be reviewed annually for impairment or more frequently if impairment indicators arise. In accordance with FASB ASC 350, an entity has the option to perform a qualitative assessment to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. If an entity determines this is the case, it is required to perform the two-step goodwill impairment test to identify potential goodwill impairment and measure the amount of goodwill impairment loss to be recognized. If an entity determines that it is more-likely-than-not that the fair value of a reporting unit is greater than its carrying amount, the two-step goodwill impairment test is not required. Applying this guidance, the Company must perform a Step 1 goodwill impairment analysis, which involves estimating the fair value of its reporting unit and comparing it to the fair value of the net assets of the reporting unit. If the fair value is less than its carrying value, then the Company should perform Step 2 and determine the fair value of goodwill. In Step 2, the fair value of goodwill is determined by deducting the fair value of a reporting unit's identifiable assets and liabilities from the fair value of the reporting unit as a whole, as if that reporting unit had just been acquired and the purchase price were being initially allocated. At March 31, 2017 and December 31, 2016, other than goodwill, the Company had no indefinite-lived intangible assets. The Company determined that no impairment of the goodwill had occurred during the three month period ended March 31, 2017.

Intangible assets: Intangible assets represent the Company's estimate of identifiable intangible assets recognized in accounting for its acquisitions. The values assigned to the intangible assets were determined by management based on third party valuations using a market approach and a discounted cash flow analysis.

Intangible assets are initially recorded at fair value and are amortized over the estimated useful lives of the respective assets. Estimated useful lives were determined by management as follows:

Tradenames	10 years
Developed technology	3-7 years
Customer relationships	7 years
Non-compete agreements	2-3 years

Software development costs: The Company is developing new products which the Company intends to offer utilizing software as-a-service ("SaaS"). The Company follows the guidance of ASC 350-40, *Intangibles — Goodwill and Other — Internal-Use Software*, for development costs related to these new products. Costs incurred in the planning stage are expensed as incurred while costs incurred in the application and infrastructure stage are capitalized, assuming such costs are deemed to be recoverable. Costs incurred in the operating stage are generally expensed as incurred except for significant upgrades and enhancements. Capitalized software costs are amortized over the software's estimated useful life, which management has determined to be three years. During the three-month periods ended March 31, 2017 and 2016, the Company capitalized $319 and $1,070 of software development costs, respectively.

Fair value measurements: GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

Note 2. Summary of Operations and Significant Accounting Policies (Continued)

In determining fair values of all reported assets and liabilities that represent financial instruments, the Company uses the carrying market values of such amounts. The standard establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources. Unobservable inputs reflect a reporting entity's pricing an asset or liability developed based on the best information available in the circumstances. The fair value hierarchy consists of the following three levels:

Level 1: Instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. The Company does not have any instruments valued using the criteria of Level 1 inputs.

Level 2: Instrument valuations are obtained from readily-available pricing sources for comparable instruments. The Company does not have any instruments valued using the criteria of Level 2 inputs.

Level 3: Instrument valuations are obtained without observable market values and require a high-level of judgment to determine the fair value. The Company does not have any instruments valued using the criteria of Level 3 inputs.

For financial instruments consisting of cash and cash equivalents, restricted cash, prepaid expenses and other current assets, accounts payable, the current portion of term debt and accrued expenses, the carrying amounts are reasonable estimates of fair value due to their relatively short maturities. The carrying amount reflected on the accompanying consolidated balance sheets for the term loan approximates fair value since the stated rate is similar to rates currently available to the Company for debt with similar terms and maturities.

Revenue recognition: The Company derives its revenues from two types of licenses: (i) software-as-a-service subscription licenses from customers accessing the Company's cloud computing services, and (ii) term licenses which are self-hosted by the customer. Included within the Company's contracts are monthly usage charges which are comprised of fees for payroll and tax calculations and checks generated by the software, fees charged for hosting the software and providing data backup services, payroll tax administration services, employee payment services, and payroll processing services.

The Company recognizes revenue when all of the following conditions are satisfied:

- there is persuasive evidence of an arrangement;
- the service has been or is being provided to the customer;
- the collection of the fees is reasonably assured; and
- the amount of fees to be paid by the customer is fixed or determinable.

For the term licenses, the customer takes possession of the software, therefore, revenue is recognized in accordance with FASB ASC 985-605. For software-as-a service subscription licenses, the customer does not take possession of the software and could not do so without significant penalty, therefore revenue is recognized in accordance with FASB ASC 605-25.

Note 2. Summary of Operations and Significant Accounting Policies (Continued)

The Company primarily enters into software-as-service subscription licenses. These arrangements are typically multiple element arrangements, with the monthly usage fees a component of the contract. The Company has determined that all delivered items within its multi-element arrangements do not have value to the customer on a stand-alone basis, and therefore all of the arrangements are accounted for as a single unit of accounting and the total consideration is recognized ratably over the longer of the contractual term or estimated life of the customer relationship, which approximates 83 months, commencing when all of the significant performance obligations have been delivered and when all the revenue recognition criteria have been met.

For multiple element arrangements that include term licenses, support and professional services, the Company recognizes all elements ratably over the estimated support period, as the Company has not been able to establish vendor specific objective evidence ("VSOE") for the undelivered elements and the Company has a history of providing implied maintenance.

Deferred revenue primarily consists of billings and payments received in advance of revenue recognition for the license of the Company's software, software-as-a-service and annual support contracts. Deferred revenue to be recognized in the next twelve months is included in current deferred revenue and the remaining amounts are included in long-term deferred revenue in the accompanying consolidated balance sheets.

At times, the Company provides software access or services for customers in advance of invoicing for such access and services. These amounts are recorded as unbilled accounts receivables in the accompanying consolidated balance sheets, and amount to $1,077 and $1,068 at March 31, 2017 and December 31, 2016, respectively.

Income taxes: iSystems Holdings, LLC and its members have elected to be taxed as a partnership. Accordingly, for federal and state income tax purposes, all income, losses, and other tax attributes pass through to the members' individual income tax returns and no provision for income taxes has been recorded in the accompanying consolidated financial statements in connection with the partnership entity. iSystems, LLC is a single member LLC, therefore it is a disregarded entity for tax purposes.

iSystems Intermediate Holdco, Inc. as well as evoPro Solutions, Inc., are taxed as corporations. Accordingly, the entities account for income taxes by recognizing tax assets and liabilities for the cumulative effect of all the temporary differences between financial statement carrying amounts and the tax basis of assets and liabilities. Deferred taxes are determined using enacted tax rates in effect in the year in which the differences are expected to reverse. Valuation allowances are provided if based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

Under the provisions of FASB ASC 740, *Income Taxes*, as it relates to accounting for uncertainties in tax positions, the Company recognizes the tax benefit of tax positions to the extent that the benefit will more likely than not be realized. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances. For the three-month periods ended March 31, 2017 and 2016, the Company did not have any uncertain tax positions.

Research and development expenses: Costs incurred in research and other product development activities, including those which may be offered as self-hosting, are expensed as incurred if the activities do not otherwise qualify to be capitalized as internal use computer software, and are comprised of various product development programs.

(in thousands, except unit and per unit amounts)

Note 2. Summary of Operations and Significant Accounting Policies (Continued)

Advertising costs: The Company expenses advertising costs as incurred. Advertising expense for the three-month periods ended March 31, 2017 and 2016 was approximately $0 and $7, which is included in Selling and Marketing expenses in the accompanying consolidated statements of operations, respectively.

Unit-based compensation: The measurement and recognition of compensation expense for all unit-based payment awards made to employees and directors is based on estimated grant date fair values. For unit grants with time-based vesting, the related expense is recognized over the requisite service period. For unit grants with contingent-based performance vesting, the related expense is recognized upon the occurrence of a performance-based vesting event.

Note 3. Property and Equipment

Property and equipment consists of the following:

	Useful Life	As of March 31, 2017	As of December 31, 2016
Computers and equipment	3 years	$ 1,191	$ 1,162
Furniture and fixtures	5 years	145	145
Leasehold improvements	Life of lease	26	26
		1,362	1,333
Less accumulated depreciation		(761)	(666)
		$ 601	$ 667

Depreciation expense amounted to $94 and $84 for the three-month periods ended March 31, 2017 and 2016, respectively.

Note 4. Software Development Costs

Software development costs consist of the following:

	As of March 31, 2017	As of December 31, 2016
Software development costs	$ 6,896	$ 6,577
Less accumulated amortization	(2,809)	(2,261)
	$ 4,087	$ 4,316

Amortization expenses amounted to $548 and $362 for the three-month periods ended March 31, 2017 and 2016 which was recorded to cost of revenue in the accompanying consolidated statements of operations.

(in thousands, except unit and per unit amounts)

Note 5. Intangible Assets

Intangible assets consists of the following:

As of March 31, 2017	Carrying Amount	Accumulated Amortization	Net Balance
Tradename	$ 1,120	$ (327)	$ 793
Developed technology	3,560	(1,560)	2,000
Customer relationships	11,730	(4,888)	6,842
Non-compete agreements	130	(126)	4
	$ 16,540	$ (6,901)	$ 9,639

As of December 31, 2016	Carrying Amount	Accumulated Amortization	Net Balance
Tradename	$ 1,120	$ (298)	$ 822
Developed technology	3,560	(1,405)	2,155
Customer relationships	11,730	(4,469)	7,261
Non-compete agreements	130	(115)	15
	$ 16,540	$ (6,287)	$ 10,253

No significant residual value is estimated for these intangible assets at the end of their useful lives. Aggregate amortization expense for the three-month periods ended March 31, 2017 and 2016 totaled $614 of which, $155 for the periods ending March 31, 2017 and 2016 was recorded to cost of revenue in the accompanying consolidated statements of operations. The remaining amortization expense of intangibles incurred in the three month periods ended March 31, 2017 and 2016 was recorded to general and administrative operating expenses in the accompanying consolidated statements of operations.

Note 6. Related Party Transactions

Silver Oak Services Partners: The Company has entered into a management services agreement with Silver Oak Management II, L.P. (“Silver Oak”). In connection with the agreement, Silver Oak will provide the Company general executive and management services and other services from time to time upon which the Company’s Board of Directors and Silver Oak agree. The initial term of the agreement is for a ten year period commencing on May 1, 2014 after which time the agreement is automatically extended for a one year period on a year to year basis. After the initial term, the agreement may be terminated not less than 90 days prior to the expiration of the initial term or any one year extension. Annual minimum fees due in connection with the management services agreement total $500, payable on a quarterly basis, along with out-of-pocket expenses.

During the three-month periods ended March 31, 2017 and 2016, the Company recorded a total of $125 and $128 of expenses on its consolidated statements of operations, respectively, for management services.

Madison Capital Funding, LLC: In connection with the acquisition in May 2014, the Company’s subsidiary iSystems, LLC entered into a credit agreement with Madison Capital Funding LLC (Madison Capital), a minority member of the Company, for a term loan totaling $20,000 and a revolving credit facility totaling $2,500. For more information see Note 7. During the three-month periods ended March 31, 2017 and 2016, iSystems recorded $345 and $355 of interest expense and unused credit facility fees on its consolidated statements of operations in connection with the credit agreement, respectively.

Note 6. Related Party Transactions (Continued)

Summit Run Investments: iSystems leased its headquarters facility from Summit Run Investments, Inc., a company owned by a minority member of the Company, under a lease that expired on March 31, 2016. During the three-month periods ended March 31, 2017 and 2016, the Company recorded $0 and $155 of lease and common area maintenance costs, respectively, on its consolidated statements of operations in connection with this lease.

Pay Data: iSystems and evoPro utilize Pay Data, a company owned by a minority member of the Company, for employee payroll processing services. Expenses for payroll processing services provided by Pay Data was $3 during the three-month periods ended March 31, 2017 and 2016. There were no amounts due to Pay Data at March 31, 2017 and 2016.

Pay Data is also a licensee of the iSystems EvolutionHCM software and utilizes certain services provided by evoPro. During the three-month periods ended March 31, 2017 and 2016, the Company recorded $92 of revenue from Pay Data. The Company had $26 of outstanding accounts receivable on its consolidated balance sheet due from Pay Data at March 31, 2017 and December 31, 2016

Note 7. Term Loan and Revolving Credit Facility

In connection with the acquisition in May 2014, the Company's subsidiary iSystems, LLC entered into a credit agreement (the "Credit Agreement") with Madison Capital for a $20,000 term loan (the "Term Loan") and a $2,500 Revolving Credit Facility (the "Credit Facility"). The Term Loan and the Credit Facility are secured by substantially all business assets of the Company.

In March 2015, iSystems and Madison Capital entered into the First Amendment to Credit Agreement (the "First Amendment"). The First Amendment provides Madison Capital's consent to the purchase of certain assets from BGSI. In addition, Madison Capital waived the excess cash flow payment due based upon 2014 financial results, modified the applicable margin along with certain terms and covenants and reduced the borrowing availability under the terms of the revolving credit facility to $1,500.

In May 2015, iSystems and Madison Capital entered into the Second Amendment to Credit Agreement (the "Second Amendment"). The Second Amendment provides Madison Capital's consent to the purchase of software assets from SS Software and modified certain terms and covenants.

In February 2016, the Company entered into the Third Amendment to the Credit Agreement with Madison Capital (the "Third Amendment"). The Third Amendment provided forbearance for defaults which occurred at December 31, 2015 and required the Company pay a default charge of 0.75% and a PIK rate of 0.75%. The Amendment also added certain debt covenants during the forbearance period and reduced the borrowing availability under the terms of the revolving credit facility to $0.

In June 2016, iSystems and Madison Capital entered into the Fourth Amendment to the Credit Agreement (the "Fourth Amendment") which waived certain past debt covenant compliance violations. The Fourth Amendment also amended the PIK rate, Base Rate, and LIBOR Rate to be scaled based on the total debt to EBITDA ratio and modified certain debt covenants as well as increased the borrowing availability under the terms of the revolving credit facility to $1,000. Simultaneously, Madison Capital entered an Investment Agreement with Silver Oak Services Partners II, L.P. The Investment Agreement provides a required leverage investment of $3,500 be paid to Madison if an event of default occurs with iSystems.

(in thousands, except unit and per unit amounts)

Note 7. Term Loan and Revolving Credit Facility (Continued)

In September 2016, the Company entered in the Fifth Amendment to the Credit Agreement (the "Fifth Amendment) which modified certain covenants.

Term loan: At March 31, 2017 and December 31, 2016, the outstanding balance of the Term Loan is as follows:

	As of March 31, 2017	As of December 31, 2016
Term loan		
Short-term portion:		
Term loan, short-term	$ 200	$ 200
Debt issuance costs	(139)	(144)
	61	56
Long-term portion:		
Term loan, long-term	19,427	19,457
Debt issuance costs	(147)	(182)
	19,280	19,275
Total	$ 19,341	$ 19,331

Principal payments of $50 are due quarterly commencing on September 30, 2014. All remaining principal, together with any unpaid interest is due on May 1, 2019. The Term Loan bears monthly interest at a rate based upon either a base rate or LIBOR rate plus an applicable margin that varies between 3.25% and 5.5% based upon certain iSystems financial results, as defined in the agreement. During the three-month periods ended March 31, 2017 and 2016, the term loan accrued interest at the LIBOR rate and PIK rate, plus applicable margin, equated to 6.75% and 7.75% per annum, respectively. PIK interest incurred for the three-month periods ended March 31, 2017 and 2016 was $21.

The term loan also contains certain financial ratio covenants, an annual capital expenditure covenant along with an annual mandatory principal payment based upon a computation of excess annual cash flow, which was waived for 2015 and 2016.

Credit Facility: The Credit Facility expires in May 2019 and charges monthly interest on the same basis as the Term Loan. The Credit Facility is in place for general business needs. The Company did not have any borrowings or balances outstanding under the Credit Facility during the three-month periods ended March 31, 2017 and 2016.

Deferred financing costs: The Company incurred financing costs to the lender in connection with the amendments of the term note. These fees are classified as a debt discount and are being amortized over the life of the agreement. Amortization expense for the three-month periods ended March 31, 2017 and 2016 was approximately $39 and $31, which is included as a component of interest expense in the consolidated statements of operations.

(in thousands, except unit and per unit amounts)

Note 8. Commitments and Contingencies

Operating leases: The Company's lease for its corporate headquarters in Colchester, Vermont expired on March 31, 2016, the lease for its facility in Woodstock, Vermont expired on January 31, 2017 and the lease for its facility in Bradenton, FL expired on November 30, 2016.

On October 27, 2015, the Company entered into a rental lease agreement for its new corporate headquarters, located in South Burlington, Vermont. The terms of the lease provides for rent and common area maintenance payments with a 3% annual escalation clause. The lease began April 1, 2016 and expires on June 30, 2026.

The Company recognizes rent expense on a straight-line basis over the lease period. Rent expense was $69 and $160 for the three-month periods ended March 31, 2017 and 2016, respectively. At March 31, 2017, future minimum lease payments under operating leases are as follows for the years ending December 31:

2017	$	189
2018		260
2019		267
2020		275
2021		282
Thereafter		1,355
	$	2,628

Extended payment plan: In August 2016, the Company entered into an extended payment plan with one of its vendors in which 12.5% of the fees for services performed would be paid within approximately 30 days and the remaining 87.5% of the fees would be due in quarterly installments upon the completion of the project as determined by the Company. Additionally, the Company agreed to pay interest of 10.0% per annum based the amount of the previous months' invoices less any payments made, and at the end of each twelve months, the Company would remit all accrued interest to the vendor. Upon the completion of the project, the Company would then begin paying quarterly interest payments.

At March 31, 2017, the Company owed the vendor $277 which was recorded in other long term liabilities in the consolidated balance sheet. For the three month period ended March 31, 2017, the Company accrued $6 of interest due to the vendor, which was included as a component of interest expense in the consolidated statements of operations.

Note 9. Members' Capital

Upon the formation of the Company, classes of members' capital were established in the form of Preferred units and Class A, Class B, Class C and Class D Common units (collectively the "Common units").

The rights and obligations of the holders of the share capital are governed by the Limited Liability Company Agreement of iSystems Holdings, LLC (the "Agreement"). The Agreement provides for the limitation of the holders liability to be that of their respective capital contributions as defined in the Agreement. In December 2016, the members amended and restated the Agreement to provide a new class of units, A-1 Preferred units, and to increase the number of authorized Class A units to be issued.

(in thousands, except unit and per unit amounts)

Note 9. Members' Capital (Continued)

The Agreement provides for the net profits and net losses as defined in the Agreement to be allocated among the shareholders in a manner which would reflect the distributions that would occur in the event of liquidation of the LLC or in a manner which reflects the distribution preferences that are outlined in the Agreement.

During the three month period ended March 31, 2016, members of the Company contributed $2,492 in exchange for 2,492 A-1 preferred units, and 2,492 Class A units.

The following table lists by class the number of authorized units of the Company and the number of units issued and outstanding, excluding units granted but not yet vested, as of March 31, 2017 and December 31, 2016.

Units as of March 31, 2017:	Authorized	Issued and Outstanding
A-1 Preferred	10,000	2,498
Preferred	22,500	18,644
Class A	32,500	21,180
Class B	900	—
Class C	900	—
Class D	900	—
	67,700	42,322

Units as of December 31, 2016:	Authorized	Issued and Outstanding
A-1 Preferred	10,000	2,498
Preferred	22,500	18,644
Class A	32,500	21,169
Class B	900	—
Class C	900	—
Class D	900	—
	67,700	42,311

A-1 Preferred units: The following summarizes certain features of the A-1 Preferred units:

- **Voting:** The A-1 Preferred units are not voting shares of the Company; however, any significant event or transaction as defined in the Agreement, other than in the ordinary course of business, requires the written consent or affirmative vote of the members holding a majority of the outstanding A-1 Preferred units.

- **Conversion rights:** The A-1 Preferred units are not convertible into common shares or any other type of share.

Note 9. Members' Capital (Continued)

- **Liquidation:** In the event of liquidation or dissolution of the Company or upon certain transactions involving acquisition of majority control of the Company or sale of all or substantially all of the assets of the Company, the holders of the Preferred units are entitled to receive, prior to any distributions being made to holders of the Preferred units or the Common units, an amount equal to the purchase price, plus any unpaid preferred return. Holders of the Preferred units are entitled to receive a cumulative preferred return whether or not declared at a rate of 18.0% per annum or two times their Class A-1 purchase price, whichever is greater. The A-1 preferred return is senior to, and payable in preference to, all other distributions or dividends, except for tax distribution amounts, as defined in the operating agreement. As of March 31, 2017 the A-1 Preferred accruing return was $4,996.

Preferred units: The following summarizes certain features of the Preferred units:

- **Voting:** The Preferred units are not voting shares of the Company; however, any significant event or transaction as defined in the Agreement, other than in the ordinary course of business, requires the written consent or affirmative vote of the members holding a majority of the outstanding Preferred units.

- **Conversion rights:** The Preferred units are not convertible into common shares or any other type of share.

- **Liquidation:** In the event of liquidation or dissolution of the Company or upon certain transactions involving acquisition of majority control of the Company or sale of all or substantially all of the assets of the Company, the holders of the Preferred units are entitled to receive, prior to any distributions being made to holders of Common units, an amount equal to the purchase price, plus any unpaid preferred return. Holders of the Preferred units are entitled to receive a cumulative preferred return whether or not declared at a rate of 12.5% per annum. The preferred return is senior to, and payable in preference to, all other distributions or dividends, except for tax distribution amounts, as defined in the operating agreement. As of March 31, 2017 the Preferred accruing return was $7,472.

Common units: The following summarizes certain features of the common units:

- **Voting:** The Class A units are voting shares of the Company and entitle the holder of such Class A unit to one vote on any matter to be voted on by unitholders as provided in the Agreement or required by applicable law; however, any significant event or transaction as defined in the Agreement, other than in the ordinary course of business, also requires the written consent or affirmative vote of the members holding a majority of the outstanding Preferred units. The Class B, C and D units are non-voting shares of the Company.

- **Conversion rights:** The Common units are not convertible into Preferred shares or any other type of share of the Company.

- **Dividend rights:** The Common units do not accrue dividends.

Note 9. Members' Capital (Continued)

- **Liquidation:** In the event of liquidation or dissolution of the Company or upon certain transactions involving acquisition of majority control of the Company or sale of all or substantially all of the assets of the Company, the holders of the Common units are entitled to receive, after distributions are made to holders of the Preferred units, the following:

    - Class A unitholders — the product of two multiplied by the aggregate amount of capital contributions then made by the holders of Silver Oak Services Partners Equity ("SOSP equity"), to be shared ratably among such holders in the proportion of the number of Class A units held by each such holder.

    - Class B unitholders —the product of three multiplied by the aggregate amount of capital contributions then made by the holders of SOSP equity, to the holders of the Class A and B units, to be shared ratably among such holders in the proportion of the number of Class A and B units held by each such holder.

    - Class C unitholders — the product of four multiplied by the aggregate amount of capital contributions then made by the holders of SOSP equity, to the holders of the Class A, B and C units, to be shared ratably among such holders in the proportion of the number of Class A, B and C Units held by each such holder.

    - Class D unitholders - all remaining amounts to the holders of the outstanding Class A, B, C and D units, to be shared ratably among such holders in the proportion of the number of Class A, B, C and Class D units held by each such holder.

Unit-based compensation: The Company has granted to certain members of the Company's Board and management team Class A, B, C and D Units. The Class A Units are subject to time-based vesting requirements and the Class B, C and D units are subject to performance based vesting requirements. The following table sets the activity of units granted.

The Company's Class A Units that have been granted vest over a five year period of which, 20% vest twelve months after grant date and then vesting is pro-rated on a daily basis for the remaining four year period. During the three month period ended March 31, 2017, 11 Class A Units were vested and issued. The compensation expense for the current period associated with these units was not significant to the consolidated statements of operations and was not recorded. The Company's Class B, C and D Units vest upon the occurrence of certain corporate transactions and/or distributions, none of which occurred during 2016.

The total unrecognized compensation expense related to non-vested units granted is $18 as of March 31, 2017 and is expected to be recognized over a weighted average period of 3.50 years.

Note 10. Income Taxes

The provision for income taxes was $91 for the three months ended March 31, 2017 and 2016. Income tax expense was due to a deferred tax liability arising from goodwill amortization.

As of March 31, 2017, the Company had federal and state gross net operating losses of approximately $6,618 and $2,075, respectively, which will begin to expire in 2034.

As of March 31, 2017, the Company had federal and state gross research credits of approximately $272 and $54, respectively, which will begin to expire in 2034.

When realization of a deferred tax asset is more likely than not to occur, the benefit related to the deductible temporary differences attributable to operations is recognized as a reduction of income tax expense. Valuation allowances are provided against deferred tax assets when, based on all available evidence, it is considered more likely than not that some portion or all of the recorded deferred tax assets will not be realized in future periods. The ultimate realization of deferred tax assets is dependent upon generation of future taxable income during the period in which those differences become deductible. The Company has concluded it is more likely than not that its deferred tax assets will not be realized in future periods and has recorded a valuation allowance of $3,843 against the related deferred tax asset for the period ended March 31, 2017. During the three-month periods ended March 31, 2017, the Company did not adjust the valuation allowance.

The Company assesses the recording of uncertain tax positions by evaluating the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the consolidated financial statements. The Company's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its consolidated statements of operations.

Utilization of the net operating losses may be subject to a substantial annual limitation under Section 382 of the Internal Revenue Code of 1986 due to ownership change limitations that have occurred previously or that could occur in the future. These ownership changes may limit the amount of net operating loss and research and development credit carryforwards that can be utilized annually to offset future taxable income and tax, respectively.

The Company has not recognized any liabilities for uncertain tax positions or unrecognized tax benefits as of March 31, 2017. The Company does not expect any material change in uncertain tax benefits within the next twelve months.

As of March 31, 2017, the Company is open to examination in the U.S. federal and certain state jurisdictions for tax years ended December 31, 2016, 2015, and 2014. In addition, to the extent the Company has incurred tax net operating losses, the Company remains open to examination to the extent of the operating loss carried forward.

Note 11. Subsequent Events

The Company has evaluated all events occurring from March 31, 2017 through May 23, 2017, the date which these financial statements were available to be issued.

Exhibit 99.4

ASURE SOFTWARE, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

On May 25 2017, we closed the acquisition of iSystems Holdings, LLC, a Delaware limited liability company ("Seller"), and iSystems Intermediate Holdco, Inc., a Delaware corporation ("iSystems"), pursuant to which we acquired 100% of the outstanding equity interests of iSystems for an aggregate purchase price of $55,000,000, subject to adjustment as provided in the Equity Purchase Agreement. The aggregate purchase price consists of (i) $32,000,000 in cash, subject to adjustment, (ii) a secured subordinated promissory note ("iSystems Note") in the principal amount of $5,000,000, subject to adjustment, and (iii) 1,526,332 shares of unregistered common stock valued at $18,000,000 based on a volume-weighted average of the closing prices of our common stock during a 90-day period. The iSystems Note bears interest at an annual rate of 3.5% and matures on May 25, 2019. The unpaid principal and all accrued interest under the promissory note is payable in two installments of $2.5 million on May 25, 2018 and May 25, 2019, subject to adjustment. The Equity Purchase Agreement contains certain customary representations, warranties, indemnities and covenants.

To finance the iSystems acquisition, we amended and restated our existing credit agreement to add an additional term loan in the amount of approximately $40,000,000, of which we borrowed $32,000,000 to complete the acquisition.

Following is the purchase price allocation for the iSystems acquisition. We based the preliminary fair value estimate for the assets acquired and liabilities assumed for this acquisition upon preliminary calculations and valuations. Our estimates and assumptions for this acquisition are subject to change as we obtain additional information for our estimates during the respective measurement periods (up to one year from the acquisition date). The primary areas of those preliminary estimates that we have not yet finalized relate to certain tangible assets and liabilities acquired, certain legal matters and income and non-income based taxes.

We recorded the transaction using the acquisition method of accounting and recognized assets and liabilities assumed at their fair value as of the date of acquisition. The $29,204,749 of intangible assets subject to amortization consist of $442,223 allocated to noncompete agreements, $27,560,662 in customer relationships and $1,201,865 for trade names.

We believe meaningful synergies are expected to arise from this acquisition. This factor contributed to a purchase price that was in excess of the fair value of the net assets acquired and, as a result, we recorded goodwill. A portion of acquired goodwill will be deductible for tax purposes.

We based the allocations on fair values at the date of acquisition:

	Amount (in thousands)
Assets acquired	
Cash and cash equivalents	$ 2,175
Accounts receivable	1,195
Restricted cash	200
Fixed assets	601
Other assets	317
Software development costs	4,087
Goodwill	21,234
Intangibles	29,205
Total assets acquired	**$ 59,014**
Liabilities assumed	
Accounts payable	268
Accrued other liabilities	1,670
Deferred tax liabilities	1,029
Deferred revenue	1,047
Total liabilities assumed	**$ 4,014**
Net assets acquired	**$ 55,000**

The following unaudited pro forma condensed combined financial statements (and notes thereto) of Asure Software, Inc. assumes that the acquisition of iSystems (and, in the case of the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2016, the acquisition of Personnel Management Systems, Inc. ("PMSI"), Corporate Payroll, Inc. (Payroll Division) ("CPI") and Payroll Specialties NW, Inc. ("PSNW") occurred at the beginning of the periods presented. The unaudited pro forma condensed combined financial information is derived from, and should be read in conjunction with, the consolidated financial statements of Asure Software, Inc. for the year ended December 31, 2016 filed on Form 10-K, the condensed consolidated financial statements of Asure Software, Inc. for the three months ended March 31, 2017 filed on Form 10-Q, the audited financial statements of PMSI as of and for the two years ended December 31, 2016 and 2015, the audited financial statements of CPI as of and for the two years ended December 31, 2016 and 2015, the audited financial statements of PSNW as of and for the two years ended December 31, 2016 and 2015 filed on Form 8-K/A and the audited and unaudited consolidated statements of iSystems Holdings, LLC as of and for the periods ended December 31, 2016 and 2015 and three months ended March 31, 2017 and 2016, respectively. The unaudited pro forma condensed combined financial information includes unaudited pro forma adjustments that are factually supportable and directly attributable to the iSystems acquisition. In addition, with respect to the unaudited pro forma condensed combined financial information, the unaudited pro forma adjustments are expected to have a continuing impact on the results of Asure. The unaudited pro forma condensed combined financial information was prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 805 — Business Combinations. Certain amounts in the iSystems historical financial statements have been reclassified to conform to classifications used by Asure Software, Inc.

The unaudited pro forma condensed combined statement of operations does not include non-recurring transaction costs associated with the iSystems acquisition that are no longer capitalized as part of that acquisition.

The following pro forma financial information is presented for illustrative purposes only and is not necessarily indicative of (i) the results of operations and financial position that would have been achieved had the applicable acquisition taken place on the dates indicated or (ii) the future operations of the combined companies. The following information should be relied on only for the limited purpose of presenting what the results of operations and financial position of the combined businesses of Asure Software and iSystems might have looked like had the acquisition taken place at an earlier date.

The unaudited pro forma condensed combined financial information of Asure Software, Inc. does not give effect to the acquisition of capital stock of Compass HRM, Inc. on May 25, 2017.

Asure Software, Inc.
Unaudited Pro Forma Condensed
Combined Balance Sheet

	As of March 31, 2017 (Amounts in thousands)				
	Asure Software	iSystems	Pro Forma Adjustments		Pro Forma Combined
Cash & cash equivalents	2,288	2,190	(15)	(a)	4,463
Accounts receivable-net	8,953	1,195	—		10,148
Inventory	530	—	—		530
Funds held for clients	30,544	—	—		30,544
Prepaid expense and other	2,012	253	—		2,265
Total Current Assets	44,327	3,638	(15)		47,950
Restricted cash	—	200	—		200
Property and equipment-net	1,809	4,688	—		6,497
Goodwill	31,455	16,593	4,641	(b)	52,689
Intangible assets-net	17,184	9,639	19,566	(c)	46,389
Other assets	322	64	—		386
Total Assets	**95,097**	**34,822**	**24,192**		**154,111**
Notes payable-current portion	2,971	61	(61)	(d)	2,971
Accounts payable	2,276	268	—		2,544
Accrued compensation and benefits	1,523	601	—		2,124
Other accrued liabilities	1,433	967	—		2,400
Client fund obligations	30,544	—	—		30,544
Deferred revenue- current portion	9,265	254	—		9,519
Total Current Liabilities	48,012	2,151	(61)		50,102
Deferred revenue	611	793	—		1,404
Deferred tax liability	—	1,029			1,029
Notes payable	28,165	19,280	17,720	(d)	65,165
Other liabilities	157	102	—		259
Total Liabilities	**76,945**	**23,355**	**17,659**		**117,959**
Common stock	90	—	15	(e)	105
Treasury stock	(5,017)	—	—		(5,017)
Additional paid-in capital	296,042	—	17,985	(e)	314,027
Retained earnings (deficit)	(272,934)	11,467	(11,467)		(272,934)
Other comprehensive loss	(29)	—	—		(29)
Total Stockholders' Equity	**18,152**	**11,467**	**6,533**		**36,152**
Total Liabilities and Stockholders' Equity	**95,097**	**34,822**	**24,192**		**154,111**

Asure Software, Inc.
Unaudited Pro Forma Condensed Combined Statement of Operations

	For the Three Months Ended March 31, 2017 (Amounts in thousands, except per share data)				
	Asure Software	iSystems	Pro Forma Adjustments		Pro Forma Combined
Total Revenues	$ 10,727	$ 3,502	$ —		$ 14,229
Total Cost of Sales	2,438	1,437	(155)		3,720
Gross Margin	8,289	2,065	155		10,509
Total Operating Expenses	8,659	2,136	578	(b)	11,373
Income (Loss) from Operations	(370)	(71)	(423)		(864)
Total Other Income (Loss)	547	390	260	(c)	1,197
Pre-Tax Income (Loss)	(917)	(461)	(683)		(2,061)
Income Tax Provision	(142)	(91)	—		(233)
Net Income (Loss)	$ (1,059)	$ (552)	$ (683)		$ (2,294)
Basic and Diluted Net Loss per Share:					
Basic	$ (0.12)				$ (0.23)
Diluted	$ (0.12)				$ (0.23)
Weighted Average Basic and Diluted Shares:					
Basic	8,627				10,153
Diluted	8,627				10,153

Asure Software, Inc.
Unaudited Pro Forma Condensed Statement of Operations

	For the Twelve Months Ended December 31, 2016 (Amounts in thousands, except per share data)							
	Asure Software	PMSI	PSNW	CPI	iSystems	Pro Forma Adjustments		Pro Forma Combined
Total Revenues	$ 35,542	$ 4,585	$ 1,682	$ 1,623	$ 12,801	$ (366)	(a)	$ 55,867
Total Cost of Sales	8,117	1,035	416	496	5,654	(986)	(a)	14,732
Gross Margin	27,425	3,550	1,266	1,127	7,147	620		41,135
Total Operating Expenses	26,198	3,106	1,248	1,487	9,563	3,053	(b)	44,655
Income (Loss) from Operations	1,227	444	18	(360)	(2,416)	(2,433)		(3,520)
Total Other Income (Loss)	(2,010)	(58)	26	—	(1,493)	(1,117)	(c)	(4,652)
Pre-Tax Income (Loss)	(783)	386	44	(360)	(3,909)	(3,550)		(8,172)
Income Tax Provision	(189)	—	—	—	(367)	—		(556)
Net Income (Loss)	$ (972)	$ 386	$ 44	$ (360)	$ (4,276)	$ (3,552)		$ (8,728)
Basic and Diluted Net Loss per Share:								
Basic	$ (0.15)							$ (1.07)
Diluted	$ (0.15)							$ (1.07)
Weighted Average Basic and Diluted Shares:								
Basic	6,533							8,171
Diluted	6,533							8,171

(The accompanying notes are an integral part of the unaudited pro forma condensed combined financial information of Asure Software, Inc.)

Notes to Unaudited Pro Forma Condensed Combined Balance Sheet:

Gives effect to or reflects the following:

(a) The elimination of assets in iSystems Holdings LLC not acquired by Asure Software, Inc.

(b) The estimated value of goodwill recorded in conjunction with the iSystems acquisition.

(c) The estimated value of intangibles recorded in conjunction with the iSystems acquisition.

(d) The estimated fair value of the subordinated promissory note issued to the Seller in the iSystems acquisition and the additional term loan under the Restated Credit Agreement.

(e) The estimated fair value of Asure Software common stock issued to the Seller in the acquisition of iSystems.

Notes to Unaudited Pro Forma Condensed Combined Income Statement:

Gives effect to or reflects the following:

(a) The elimination of intercompany revenue and cost of sales between Asure Software, Inc., CPI and PSNW.

(b) The adjustments to the historical intangible amortization expense resulting from the effects of the preliminary purchase price associated with the acquisitions of PMSI, CPI, PSNW and iSystems. The final allocation of the actual purchase price is subject to the final valuation of the acquired assets, but that allocation is not expected to differ materially from the preliminary allocation presented in this pro forma condensed combined financial information.

(c) The adjustments for interest expense on acquisition related debt and transaction costs incurred pursuant the acquisitions of PMSI, CPI, PSNW and iSystems.

Exhibit 99.5

STOCK PURCHASE AGREEMENT

AMONG

ASURE SOFTWARE, INC.,

COMPASS HRM, INC.

JOHN F. GIBBONS, JONATHAN S. GIBBONS, JOSHUA GIBBONS,

AND

JONATHAN S. GIBBONS, AS SELLER REPRESENTATIVE

DATED AS OF

MAY 25, 2017

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STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (this "**Agreement**"), dated as of May 25, 2017, is entered into among ASURE SOFTWARE, INC., a Delaware corporation ("**Buyer**"), COMPASS HRM, INC. (the "**Company**"), JOHN F. GIBBONS, a Florida resident, JONATHAN S. GIBBONS, a Florida resident, and JOSHUA GIBBONS, a Florida resident (each a "**Seller**" and together, the **Sellers**"), and JONATHAN S. GIBBONS, a Florida resident, solely in his capacity as Seller Representative (the "**Seller Representative**").

RECITALS

A. Sellers own 100% of the issued and outstanding shares of capital stock of the Company (the "**Shares**"), in the amounts set forth opposite their respective names on ***Exhibit A***.

B. Sellers wish to sell to Buyer, and Buyer wishes to purchase from Sellers, the Shares, subject to the terms and conditions set forth in this Agreement.

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

ARTICLE I
DEFINITIONS

The following terms have the meanings specified or referred to in this Article I:

"**Acquisition Proposal**" has the meaning set forth in Section 6.3(a).

"**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person. For purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have correlative meanings.

"**Agreement**" has the meaning set forth in the preamble.

"**Balance Sheet**" has the meaning set forth in Section 3.6.

"**Balance Sheet Date**" has the meaning set forth in Section 3.6.

"**Behavioral Information**" means data collected from an IP address, web beacon, pixel gig, ad tag, cookie, local storage, software, or by any other means, or from a particular computer, Web browser, mobile telephone, or other device or application, where such data is or may be used to identify or contact an individual or device or application, to predict or infer the preferences, interests, or other characteristics of the device or of a user of such device or application, or to target advertisements or other content to a device or application, or to a user of such device or application.

"Benefit Plan" has the meaning set forth in Section 3.18(a).

"**Bonus Amounts**" means any and all bonus amounts and other amounts payable to employees as a result of the transactions contemplated hereby (including payments in respect of any phantom equity interests) that have been or should have been accrued for or are payable to the officers, directors, employees and consultants of the Company as of the Closing Date (including the employer portion of any employment taxes related to such Bonus Amounts).

"**Business**" means the business of the Company as currently and historically operated, including providing software and services in the areas of payroll, tax management, human resources and benefits.

"**Business Day**" means any day except Saturday, Sunday or any other day on which commercial banks located in New York, New York are authorized or required by Law to be closed for business.

"Buyer Indemnitees" has the meaning set forth in Section 8.2.

"**Cash Consideration**" has the meaning set forth in Section 2.1(b).

"**CC Revenue**" means all Revenues during a Measurement Period.

"**Charter Documents**" means, with respect to any Person, as applicable, its certificate of incorporation, by-laws or other organizational documents.

"**Closing**" has the meaning set forth in Section 2.2.

"**Closing Date**" has the meaning set forth in Section 2.2.

"**Closing Statement**" has the meaning set forth in Section 2.4(b)(i).

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

"**Company**" has the meaning set forth in the preamble.

"**Company Closing Certificate**" means the certificate delivered by the Company in connection with Closing, certifying the amount of the Indebtedness, Taxes Payable, Bonus Amounts, Selling Expenses and other amounts payable by the Company in connection with the Closing pursuant to Section 2.5.

"**Company Closing Working Capital Certificate**" has the meaning set forth in Section 2.4(a).

"**Company Disclosure Schedule**" has the meaning in the preamble to Article III.

"**Company Estimated Closing Working Capital**" has the meaning set forth in Section 2.4(a).

"**Company Final Working Capital**" means the actual amount of the Company's Working Capital on a consolidated basis as of the Effective Time.

"**Company Intellectual Property**" means all Intellectual Property that is owned by the Company.

"**Company IP Agreements**" means all licenses, sublicenses, consent to use agreements, settlements, coexistence agreements, covenants not to sue, permissions and other Contracts (including any

right to receive or obligation to pay royalties or any other consideration), whether written or oral, relating to Intellectual Property to which the Company is a party, beneficiary or otherwise bound.

"**Company IP Registrations**" means all Company Intellectual Property that is subject to any issuance registration, application or other filing by, to or with any Governmental Authority or authorized private registrar in any jurisdiction, including registered trademarks, domain names and copyrights, issued and reissued patents and pending applications for any of the foregoing.

"**Company Target Working Capital**" means $375,000.00.

"**Consulting Agreements**" has the meaning set forth in Section 2.2(a)(ix) of this Agreement.

"**Continuing Employees**" has the meaning set forth in Section 6.5(a) of this Agreement.

"**Contracts**" means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

"**Covered Products**" means any licensed software or related product, service or solution sublicensed or offered for use by or through the Company to a Customer, and regardless of whether the licensed software or related product, service or solution is sublicensed to or made available for use by a Customer on a freestanding, bundled or integrated arrangement basis.

"**Critical Customers**" means those Persons listed on **Schedule 1.1(a)** and any Person who is an Affiliate of any Critical Customer, that, after the Closing Date, enters in to a license or other contract for services from the Company or Buyer and to which the Seller's Representative and Buyer have agreed should be considered a Critical Customer for purposes of this Agreement, including those Persons listed on **Schedule 1.1(b)**.

"**Current Customers**" means all of the Company's end user licensees as of the Effective Time of any Covered Products. For the sake of clarity, Current Customers as of the Effective Time include all Persons listed as Current Customers on **Schedule 6.2(a)**.

"**D&O Indemnified Party**" has the meaning set forth in Section 6.3(a).

"**Direct Claim**" has the meaning set forth in Section 8.5(c).

"**Disputed Amounts**" has the meaning set forth in Section 2.4(b)(iv).

"**Dollars or $**" means the lawful currency of the United States.

"**Effective Time**" means that moment of the Closing Date that the parties declare that the Closing under this Agreement of the purchase of the Shares from the Sellers is complete.

"**Elections**" has the meaning set forth in Section 2.6 of this Agreement.

"**Encumbrance**" means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

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

"**ERISA Affiliate**" means all employers (whether or not incorporated) that would be treated together with the Company or any of its Affiliates as a "single employer" within the meaning of Section 414 of the Code.

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

"**Financial Statements**" has the meaning set forth in Section 3.6.

"**Fraud**" means with respect to a Person, such Person's criminal activity, intentional misconduct, intentional misrepresentation or common law fraud in each case with the specific intent to deceive and mislead, regarding the representations and warranties made in Article III, Article IV or Article V by such Person or with respect to any information submitted by such Person in the data room used for due diligence in connection with this Transaction.

"**Free and Open Source Software**" means any software that is subject to the GNU General Public License, any "copy left" license or any other open source or quasi-open source license that requires as a condition of use, modification and/or distribution of code associated with it be (A) disclosed or distributed in source code form, (B) licensed for purpose of making derivative works; (C) redistributable at no charge; or (D) licensed under terms approved the Open Source Initiative or similar organization.

"**Fundamental Representations**" means the representations and warranties set forth in Section 3.1, Section 3.2, Section 3.4, Section 4.1, Section 4.3 and Section 4.4.

"**GAAP**" means United States generally accepted accounting principles in effect from time to time.

"**Government Contracts**" has the meaning set forth in Section 3.9(a)(viii).

"**Governmental Authority**" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"**Indebtedness**" means, without duplication and with respect to any Person, all (a) indebtedness for borrowed money; (b) obligations for the deferred purchase price of property or services, (c) long or short-term obligations evidenced by notes, bonds, debentures or other similar instruments; (d) obligations under any interest rate, currency swap or other hedging agreement or arrangement; (e) capital lease obligations; (f) reimbursement obligations under any letter of credit, banker's acceptance or similar credit transactions; (g) guarantees made by such Person on behalf of any third party in respect of obligations of the kind referred to in the foregoing clauses (a) through (f); and (h) any unpaid interest, prepayment penalties, premiums, costs and fees that would arise or become due as a result of the prepayment of any of the obligations referred to in the foregoing clauses (a) through (g).

"**Independent Accounting Firm**" has the meaning set forth in Section 2.4(b)(iv).

"**Installment**" means any payment of principal due under the Promissory Note.

"**Insurance Policies**" has the meaning set forth in Section 3.15.

"**Intellectual Property**" means all intellectual property and intellectual property rights and assets, and all rights, interests and protections that are associated with, similar to, or required for the exercise of, any of the foregoing, however arising, pursuant to the Laws of any jurisdiction throughout the world, whether registered or unregistered, including any and all: (a) trademarks, service marks, trade names, brand names, logos, trade dress, design rights and other similar designations of source, sponsorship, association or origin, together with the goodwill connected with the use of and symbolized by, and all registrations, applications and renewals for, any of the foregoing; (b) internet domain names, whether or not trademarks, registered in any top-level domain by any authorized private registrar or Governmental Authority, web addresses, web pages, websites and related content, accounts with Twitter, Facebook and other social media companies and the content found thereon and related thereto, and URLs; (c) works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights, author, performer, moral and neighboring rights, and all registrations, applications for registration and renewals of such copyrights; (d) inventions, discoveries, trade secrets, business and technical information and know-how, databases, data collections and other confidential and proprietary information and all rights therein; (e) patents (including all reissues, divisionals, provisionals, continuations and continuations-in-part, re-examinations, renewals, substitutions and extensions thereof), patent applications, and other patent rights and any other Governmental Authority-issued indicia of invention ownership (including inventor's certificates, petty patents and patent utility models); and (f) software and firmware, including data files, source code, object code, application programming interfaces, architecture, files, records, schematics, computerized databases and other related specifications and documentation, including with respect to the Company Software.

"**Intellectual Property Registrations**" has the meaning set forth in Section 3.12(b).

"**Knowledge**" means, when used with respect to the Company, the actual or constructive knowledge of Jonathan Gibbons after reasonable inquiry and investigation.

"**Law**" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"**Liabilities**" means, with respect to any Person, any liability or obligation of such Person, whether asserted or unasserted, whether known or unknown, whether absolute or contingent, whether accrued or unaccrued, whether matured or unmatured and whether or not required under GAAP to be accrued on the financial statements of such Person.

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

"**Material Adverse Effect**" means any event, occurrence, fact, condition, change or development that is, or would reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the business, results of operations, condition or assets of the Company or (b) the ability of the Company to consummate the transactions contemplated hereby.

"**Material Contracts**" has the meaning set forth in Section 3.9(a).

"**Material Customers**" has the meaning set forth in Section 3.14(a).

"**Material Suppliers**" has the meaning set forth in Section 3.14(b).

"**Measurement Date"** means the last day of a Measurement Period.

"**Measurement Period**" means the period commencing on the Closing Date and ending on March 31, 2018, and thereafter the twelve (12) calendar month period commencing on April 1 of each year, beginning in 2018 and continuing each year until 2021.

"**Minimum Cash**" means an aggregate amount of cash equal to $200,000.

"**Multiemployer Plan**" has the meaning set forth in Section 3.18(c).

"**Permits**" means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Authorities.

"**ordinary course of business**" means the ordinary course of business, consistent with past practice, including with regard to nature, frequency and magnitude.

"**Permitted Encumbrances**" has the meaning set forth in Section 3.10(a).

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

"**Personal Information**" means information and data concerning an identified or identifiable natural Person, including, without limitation, any information specifically defined or identified in any privacy policy of the Company as "personal information," "personally identifiable information," or "PII" and includes information such as (i) an individual's name, signature, address, telephone number, social security number or other identification number; (ii) passwords, PINs, biometric data, unique identification numbers, answers to security questions and other similar forms of personal identifiers, (iii) any non-public personal information such as health information, and (iv) other sensitive personal information. Personal Information may relate to any individual, including a current, prospective or former customer, employee or vendor of any Person. Personal Information includes information in any form, including paper, electronic and other forms.

"**Post-Closing Adjustment**" has the meaning set forth in Section 2.4(b)(vi).

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

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

"**Potential Customer**" means a Person (or such Person's Affiliates) to whom the Company has, within one year prior to the Effective Time, made a substantive presentation regarding any Covered Product. For the sake of clarity, "**Potential Customer**" at the Effective Time include all Persons listed as Potential Customer on **Schedule 6.2(a)**.

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

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

"**Promissory Note**" means that Promissory Note in the form attached as ***Exhibit B*** hereto in the face amount of $1,500,000.0 (as adjusted pursuant to Section 2.4 below) and representing the balance of the Purchase Price not payable as part of the Cash Consideration.

"**Purchase Price**" has the meaning set forth in Section 2.1(a).

"**Qualified Benefit Plan**" has the meaning set forth in Section 3.18(c).

"**Representative**" means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

"**Representative Losses**" has the meaning set forth in Section 9.1(c).

"**Restricted Period**" has the meaning set forth in Section 6.2(b).

"**Resolution Period**" has the meaning set forth in Section 2.4(b)(iii).

"**Revenues**" means all revenue generated from the provision of services to the Critical Customers, in whatever form, including without limitation, the licensing fees or other similar form of sales generated in connection with the Business, and recorded in the books and records of the Company in accordance with GAAP, using the accrual method of accounting; provided however that, for any Measurement Period, the Revenues shall not include, for a specific Measurement Period, any revenue generated from the provision of services to a Critical Customer, who during that Measurement Period terminated its Contract with the Company or otherwise ended its relationship with Company.

"**Review Period**" has the meaning set forth in Section 2.4(b)(ii).

"**SEC**" means the United States Securities and Exchange Commission.

"**Section 8.3(c) Loss**" has the meaning set forth in Section 8.3(c).

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Seller Indemnitees**" has the meaning set forth in Section 8.7(a).

"**Statement of Objections**" has the meaning set forth in Section 2.4(b)(iii).

"**Selling Expenses**" means all unpaid costs, fees and expenses of outside professional incurred by the Company (including expenses incurred by the Company on behalf of the Sellers) related to the process of selling the Company, whether incurred in connection with this Agreement or otherwise, including, without limitation, all broker fees and expenses, and legal, accounting, tax and investment and banking fees and expenses.

"**Seller Representative**" has the meaning set forth in the preamble.

"**Shares**" means the issued and outstanding shares of capital stock issued by the Company.

"**Standard Terms and Conditions**" has the meaning set forth in Section 3.14(d).

"**Straddle Period**" has the meaning set forth in Section 7.5.

"**Subsidiary**" means, with respect to any Person, any other Person of which a majority of the outstanding shares or other equity interests having the power to vote for directors or others performing similar functions are owned, directly or indirectly, by the first Person.

"**Target Revenue**" means, as to any Measurement Period commencing after March 31, 2018, $1,408,912.00 unless otherwise agreed by Seller Representative and Buyer in writing within one hundred twenty (120) days of Closing to adjust, if necessary, the expected Revenues of those Critical Customers identified on Schedule 1.1(b); provided however that for the Measurement Period beginning on the Closing Date and ending on March 31, 2018, the Target Revenue shall be equal to $1,196,610.00.

"**Taxes**" means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

"**Tax Claim**" has the meaning set forth in Section 7.6.

"**Taxes Payable**" means any unpaid Taxes of the Company as of the Closing Date.

"**Tax Return**" means any return, declaration, report, claim for refund, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"**Third Party Claim**" has the meaning set forth in Section 8.5(a).

"**Transaction Documents**" means this Agreement, the Note, the Employment Agreement, and the Consulting Agreements.

"**Union**" has the meaning set forth in Section 3.19(b).

"**Working Capital**" means, with respect to the Company current assets less its current liabilities.

ARTICLE II
PURCHASE AND SALE

2.1 Purchase and Sale.

(a) On the terms and subject to the conditions set forth in this Agreement, at the Closing, Sellers shall sell, transfer and deliver to Buyer, free and clear of any Encumbrances, and Buyer shall purchase from Sellers, all of the Shares, for an aggregate purchase price of $6,000,000.00, payable as provided in this Agreement (the "**Purchase Price**"), subject to adjustment as provided in Section 2.4.

(b) For purposes of this Agreement, "**Cash Consideration**" means an amount equal to: (i) the Purchase Price, subject to adjustment as provided in Section 2.4, minus the sum of

(ii) the face amount of the Promissory Note, and (iii) the amounts of Indebtedness, Bonus Amounts, Taxes Payable, Selling Expenses and other payables of the Company set forth in the Company Closing Certificate. On the Closing Date, Buyer shall pay to the Seller Representative the Cash Consideration as set forth below in Section 2.3(b)(i).

2.2 Closing. Subject to the terms and conditions of this Agreement, the closing of the transactions hereunder (the "Closing") shall take place at 10:00 a.m., Central time, no later than two Business Days after the last of the conditions to Closing set forth in Article VIII have been satisfied or waived (other than conditions which, by their nature, are to be satisfied on the Closing Date), at the offices of Messerli & Kramer P.A., 100 South Fifth Street, Suite 1400, Minneapolis, Minnesota 55402, or at such other time or on such other date or at such other place as the Company and Buyer may mutually agree upon in writing (the day on which the Closing takes place being the "**Closing Date**").

2.3 Closing Deliverables.

(a) **By Sellers and Company**. At or prior to the Closing, Sellers and the Company shall deliver or cause to be delivered to Buyer the following:

(i) Certificates evidencing the outstanding shares, free and clear of all Encumbrances, duly endorsed in blank or accompanied by assignments or other instruments of transfer duly executed in blank;

(ii) resignations of the directors and officers of the Company pursuant to Section 6.6;

(iii) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of the Company certifying that attached thereto are true and complete copies of all resolutions adopted by the Company's Board of Directors authorizing the execution, delivery and performance of this Agreement and the Transaction Documents (to the extent the Company is party thereto) and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby;

(iv) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of the Company certifying the names and signatures of the officers of the Company authorized to sign this Agreement, the Transaction Documents and the other documents to be delivered hereunder and thereunder;

(v) a good standing certificate (or its equivalent) from the secretary of state or similar Governmental Authority of the jurisdiction under the Laws in which the Company is organized;

(vi) at least one Business Day prior to the Closing, the Company Closing Certificate;

(vii) payoff letters, in forms reasonably satisfactory to Buyer with respect to the payoff amounts as of the Closing Date for the Indebtedness identified on **Schedule 2.3(a)(viii)**, and releases of any Liens granted in connection with such Indebtedness held by third parties, indicating that upon payment of a specified amount (subject to per diem increase, if applicable), such holder shall release its Liens and other security interests in, and agree to execute or authorize the execution of Uniform Commercial Code termination statements necessary to release of record its Liens and other security interest in, the assets, properties and securities of the Company;

(viii) the Employment Agreement in the form of ***Exhibit C***, duly executed by Jonathan S. Gibbons ("**Employment Agreement**");

(ix) the consulting agreements in the form of ***Exhibits D-1*** and ***Exhibit D-2***, duly executed by John F. Gibbons and Joshua Gibbons (the "**Consulting Agreements**").

(x) confirmation signed by each Seller as to the dollar amount of the Cash Consideration payable to such Seller, together with duly-executed releases in a form acceptable to Buyer and acknowledgements from any party entitled to Selling Expenses; and

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

(b) At the Closing, Buyer shall deliver or cause to be delivered to the Seller Representative, for the benefit of the Sellers, the following:

(i) the Cash Consideration by wire transfer of immediately available funds to an account designated in writing by the Seller Representative;

(ii) the Promissory Note, duly executed by Buyer;

(iii) the Employment Agreement; duly executed by Buyer;

(iv) the Consulting Agreements, duly executed by Buyer;

(v) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Buyer certifying that attached thereto are true and complete copies of all resolutions adopted by Buyer authorizing the execution, delivery and performance of this Agreement and the Transaction Documents (to the extent the Buyer is party thereto) and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby;

(vi) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Buyer certifying the names and signatures of the officers of Buyer authorized to sign this Agreement, the Transaction Documents and the other documents to be delivered hereunder and thereunder;

(vii) any other Transaction Documents, duly executed by the Buyer; and

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

2.4 Adjustment to Purchase Price.

(a) **Closing Adjustment**. At least one Business Day before the Closing, the Company shall prepare and deliver to Buyer a statement executed by an authorized officer of the Company (the "**Company Closing Working Capital Certificate**"), setting forth its good faith

estimate of the Company's Working Capital, including Minimum Cash, on a consolidated basis as of the Closing Date (the "**Company Estimated Closing Working Capital**"), along with an itemized calculation of such Working Capital. The amount by which the Company Target Working Capital exceeds the Company Estimated Closing Working Capital shall reduce the face amount of the Promissory Note. The amount by which the Company Estimated Closing Working Capital exceeds the Company Target Working Capital shall increase the face amount of the Promissory Note.

(b) **Post-Closing Adjustment**.

(i) Within ninety (90) days after the Closing Date, Buyer shall deliver to the Seller Representative a statement, certified by an authorized officer of the Company, setting forth the Company Final Working Capital, along with a summary showing in reasonable detail each calculation (the "**Closing Statement**").

(ii) After receipt of the Closing Statement, the Seller Representative shall have ninety (90) days (the "**Review Period**") to review the Closing Statement. During the Review Period, the Seller Representative and its accountants shall have full access to the books and records of the Company, the personnel of, and work papers prepared by, the Company and/or its accountants to the extent that they relate to the Closing Statement and to such historical financial information (to the extent in Buyer's possession) relating to the Closing Statement as the Seller Representative may reasonably request for the purpose of reviewing the Closing Statement and to prepare a Statement of Objections (defined below), provided, that such access shall be in a manner that does not interfere with the normal business operations of Buyer or the Company.

(iii) On or prior to the last day of the Review Period, the Seller Representative may object to the Closing Statement by delivering to Buyer a written statement setting forth its objections in reasonable detail, indicating each disputed item or amount and the basis for its disagreement therewith (the "**Statement of Objections**"). If the Seller Representative fails to deliver the Statement of Objections before the expiration of the Review Period, the Closing Statement and the Post-Closing Adjustment, as the case may be, reflected in the Closing Statement shall be deemed to have been accepted by the Seller Representative. If the Seller Representative delivers the Statement of Objections before the expiration of the Review Period, the Buyer and the Seller Representative shall negotiate in good faith to resolve such objections within thirty (30) days after the delivery of the Statement of Objections (the "**Resolution Period**"), and, if the same are so resolved within the Resolution Period, the Post-Closing Adjustment and the Closing Statement with such changes as may have been previously agreed in writing by the Buyer and the Seller Representative, shall be final and binding.

(iv) If the Seller Representative and the Buyer fail to reach an agreement with respect to all of the matters set forth in the Statement of Objections before expiration of the Resolution Period, then any amounts remaining in dispute (the "**Disputed Amounts**", with any amounts not so disputed being the "**Undisputed Amounts**"), shall be submitted for resolution to the office of an impartial nationally recognized firm of independent certified public accountants, as may be mutually acceptable to the Buyer and the Seller Representative (the "**Independent Accounting Firm**"), who, acting as experts and not arbitrators, shall resolve the Disputed Amounts only and make any adjustments to the Post-Closing Adjustment, as the case may be. The parties hereto agree that all adjustments shall be made without regard to materiality. The Independent Accountant

shall only decide the specific items under dispute by the parties and their decision for each Disputed Amount must be within the range of values assigned to each such item in the Closing Statement and the Statement of Objections, respectively. The Independent Accountant shall make a determination as soon as practicable within thirty (30) days (or such other time as the parties hereto shall agree in writing) after its engagement, and its resolution of the Disputed Amounts and its adjustments to the Post-Closing Adjustment shall be conclusive and binding upon the parties hereto.

(v) The fees and expenses of the Independent Accountant shall be paid by the Seller Representative (on behalf of the Principals), on the one hand, and by the Buyer, on the other hand, based upon the percentage that the amount actually contested but not awarded to the Seller Representative or the Buyer, respectively, bears to the aggregate amount actually contested by the Seller Representative and the Buyer.

(vi) The "**Post Closing Adjustment**" means an amount equal to the Company Final Working Capital minus the Company Estimated Closing Working Capital.

(c) **Resolution of Post-Closing Adjustment**. If the Post-Closing Adjustment is a positive number, the face amount of the Promissory Note shall be increased by such amount. If the Post-Closing Adjustment is a negative number, the face amount of the Promissory Note shall be decreased by such amount.

(d) **Adjustments for Tax Purposes**. Any adjustments made pursuant to Section 2.4 shall be treated as an adjustment to the Purchase Price by the parties for Tax purposes, unless otherwise required by Law.

2.5 Payoff of Indebtedness and Other Payables. At the Closing, Buyer shall pay, or cause to be paid, on behalf of the Company, the amounts of Indebtedness indicated in the payoff letters delivered pursuant to Section 2.3(a)(viii), the Taxes Payable, the Seller Expenses, the Bonus Amounts and any other amounts specified by the Seller Representative in writing or otherwise determined by Buyer to be payable in connection with the Closing under this Agreement, in each case by wire transfer of immediately available funds to the Persons or bank accounts specified in such payoff letters or other written instructions. If Sellers intend to pay any Selling Expenses directly, Seller Representative will provide signed acknowledgements from the advisors or other party entitled to payment of the Selling Expenses.

2.6 Tax Election and Allocation of the Purchase Price. Sellers and Buyer shall together make an election under Section 338(h)(10) of the Code on IRS Form 8023, and any corresponding elections under Florida law (the "**Elections**") with respect to the purchase and sale of the Shares. The Elections shall be made as soon as practicable following the Closing Date, but not later than the deadline for making the Elections. As soon as practicable following the Closing, Seller Representative and Buyer agree to allocate the Purchase Price among the assets of the Company for all purposes (including tax and financial) in accordance with **Schedule 2.6**, subject to any Post-Closing Adjustment described at Section 1.3. The Sellers shall calculate gain or loss, if any, resulting from the Elections, and the Buyer shall calculate tax basis in the assets of the Company, in a manner consistent with such allocation, and none of the Buyer, the Sellers, or the Company shall take any position inconsistent with such allocation in any Tax Return, schedule, estimate or otherwise.

ARTICLE III
JOINT REPRESENTATIONS AND WARRANTIES OF THE SELLERS

Except as set forth in the Disclosure Schedules, each Seller, jointly and severally, represents and warrants to the Buyer that the statements contained in this Article III are true and correct as of the date of this Agreement and as of the Effective Time.

3.1 Organization and Qualification of the Company. The Company is a corporation duly incorporated, validly existing and in good standing under the Laws of the state of Florida, and has full corporate power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it has been and is currently conducted. The Company is licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or qualification necessary, except where the failure to be so licensed, qualified or in good standing would not have a Material Adverse Effect. All such jurisdictions where the Company is licensed or qualified to do business are set forth on **Schedule 3.1.**

3.2 Authority. The Company has full corporate power and authority to enter into and perform its obligations under this Agreement and the Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by the Company of this Agreement and any Transaction Document to which it is a party and the consummation by the Company of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of the Company and no other corporate proceedings on the part of the Company are necessary to authorize the execution, delivery and performance of this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Company, and (assuming due authorization, execution and delivery by each other party hereto) this Agreement constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms. When each Transaction Document to which the Company is or will be a party has been duly executed and delivered by the Company (assuming due authorization, execution and delivery by each other party thereto), such Transaction Document will constitute a legal and binding obligation of the Company enforceable against it in accordance with its terms.

3.3 No Conflicts; Consents. The execution, delivery and performance by the Company of this Agreement and the Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (i) conflict with or result in a violation or breach of, or default under, any provision of the Charter Documents of the Company; (ii) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to the Company; (iii) require the consent, notice or other action by any Person under any Material Contract to which the Company or any of its Company Subsidiaries are bound; (iv) result in the acceleration of or create in any party the right to accelerate, terminate or modify or cancel any Material Contract to which the Company or any of its Company Subsidiaries are bound; or (v) result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on any properties or assets of the Company. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to the Company in connection with the execution, delivery and performance of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby.

3.4 Capitalization. **Schedule 3.4** sets forth a true, correct and complete list of all the authorized and outstanding shares of the Company's capital stock. There are no outstanding (i) securities convertible into or exchangeable or exercisable for any equity or voting interest in, the Company; (ii) options, warrants, calls, rights, profits interests, equity appreciation rights or other rights or arrangements obligating any of the Company to acquire or issue any equity or voting interest in, or any securities convertible into or exchangeable for any equity or voting interest (including any voting debt) in, the Company; (iii) contingent value rights, "phantom" interests or similar securities or rights that are derivative of, or provide economic benefits based on the value or price of, any equity interest of, or other securities or ownership interests in, the Company; or (iv) obligations of the Company to grant, extend or enter into any subscription, warrant, right, convertible or exchangeable security, or other similar contract relating to any capital stock of, or other equity interests (including any voting debt).

3.5 Subsidiaries. The Company has no subsidiaries and does not directly or indirectly own any equity or similar interest in, or any interest convertible into or exchangeable or exercisable for any equity or similar interest in, any corporation, partnership, joint venture or other business association or entity.

3.6 Financial Statements. **Schedule 3.6** contains true, correct and complete copies of the following financial statements: the balance sheet of the Company dated March 31, 2017 and the statements of income and cash flow of the Company for the three month period ending March 31, 2017 (collectively, the "Interim Financial Statements") and the balance sheet of the Company as December 31, 2014, December 31, 2015 and December 31, 2016 and the related statement of income and retained earnings, stockholders' equity and cash flow for the years then ended (the "Financial Statements"). Each of the Interim Financial Statements and the Financial Statements are unaudited and have not been prepared in accordance with GAAP, but instead have been prepared in accordance with the Company's historical practices applied on a consistent basis throughout the period involved. The Interim Financial Statements and the Financial Statements are true and correct in all material respects and consistent with and were prepared in accordance with the books of account and other financial records of the Company and fairly present in all material respects the financial condition of the Company as of the respective dates they were prepared and the results of the operations of the Company for the periods indicated. The balance sheet of the Company as of March 31, 2017 is referred to in this Agreement as the "Balance Sheet" and the date thereof as the ("**Balance Sheet Date**"). Except as set forth on Schedule 3.6, the Company maintains and complies in all material respects with a system of accounting controls sufficient to provide commercially reasonable assurances that material transactions are records as necessary to permit the preparation of financial statements in conformity in all material respects with sound accounting principles.

3.7 Undisclosed Liabilities and Accounts Payable.

(a) Except as set forth in **Schedule 3.7(a)**, the Company does not have knowledge of any liabilities, except for (i) performance obligations under Material Contracts or under contracts entered into in the ordinary course of business which, because of the dollar thresholds set forth in Section 3.9(a), are not required to be described on **Schedule 3.9(a)** none of which involves non-performance or a breach), (ii) liabilities reflected (and adequately reserved for) on the face of the Balance Sheet and (iii) liabilities of the type set forth on the face of the Balance Sheet which have arisen after the Balance Sheet Date in the ordinary course of business (none of which is a liability for breach of contract or involves a tort, infringement, claim, lawsuit, warranty or environmental, health or safety matter).

(b) **Schedule 3.7(b)** sets forth a list of all accounts payable of the Company together with the name of each payee, the date each such payment is due, and the nature of the transaction in which it was incurred if other than a trade payable incurred in the ordinary course of business as of the Closing Date.

3.8 Absence of Certain Changes, Events and Conditions. Except as set forth in **Schedule 3.8**, since the Balance Sheet Date, and other than in the ordinary course of business consistent with past practice, there has not been, with respect to the Company, any:

(a) event, occurrence or development that has had, or could reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect;

(b) amendment of any of the Charter Documents of the Company;

(c) split, combination or reclassification of any shares of its capital stock;

(d) issuance, sale or other disposition of any of shares of capital stock or grant of any options, warrants or other rights to purchase or obtain (including upon conversion, exchange or exercise) any of its equity interests;

(e) declaration or payment of any dividends or distributions on or in respect of any of its shares of capital stock or redemption, purchase or acquisition of its shares of capital stock;

(f) material change in any method of accounting or accounting practice;

(g) material change in its cash management practices and related policies, practices and procedures with respect to collection of accounts receivable, establishment of reserves for uncollectible accounts, accrual of accounts receivable, inventory control, prepayment of expenses, payment of trade accounts payable, accrual of other expenses, deferral of revenue and acceptance of customer deposits;

(h) termination of any Contract with any Customer or receipt of notice from any Customer that it intends to terminate its Contract or relationship with the Company;

(i) incurrence, assumption or guarantee of any indebtedness for borrowed money except unsecured current obligations and Liabilities incurred in the ordinary course of business consistent with past practice;

(j) transfer, assignment, sale or other disposition of any of the assets shown or reflected in the Balance Sheet or cancellation of any debts or entitlements;

(k) transfer, assignment or grant of any license or sublicense of any material rights under or with respect to any Company Intellectual Property or Company IP Agreements.

(l) material damage, destruction or loss (whether or not covered by insurance) to its property;

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

(n) acceleration, termination, material modification to or cancellation of any Material Contract to which the Company is a party or by which it is bound;

(o) any material capital expenditures;

(p) imposition of any Encumbrance upon any of the Company properties, capital stock or assets, tangible or intangible;

(q) (i) grant of any bonuses, whether monetary or otherwise, or increase in any wages, salary, severance, pension or other compensation or benefits in respect of its current or former employees, officers, directors, independent contractors or consultants, other than as provided for in any written agreements or required by applicable Law, (ii) change in the terms of employment for any employee or any termination of any employees for which the aggregate costs and expenses exceed $5,000, or (iii) action to accelerate the vesting or payment of any compensation or benefit for any current or former employee, officer, director, independent contractor or consultant;

(r) adoption, modification or termination of any: (i) employment, severance, retention or other agreement with any current or former employee, officer, director, independent contractor or consultant, (ii) Benefit Plan or (iii) collective bargaining or other agreement with a Union, in each case whether written or oral;

(s) entry into a new line of business or abandonment or discontinuance of existing lines of business;

(t) adoption of any plan of merger, consolidation, reorganization, liquidation or dissolution or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against it under any similar Law;

(u) purchase, lease or other acquisition of the right to own, use or lease any property or assets for an amount in excess of $10,000, individually (in the case of a lease, per annum) or $50,000 in the aggregate (in the case of a lease, for the entire term of the lease, not including any option term), or purchases of inventory or supplies in the ordinary course of business consistent with past practice;

(v) acquisition by merger or consolidation with, or by purchase of a substantial portion of the assets or stock of, or by any other manner, any business or any Person or any division thereof;

(w) action by the Company to make, change or rescind any Tax election, amend any Tax Return or take any position on any Tax Return, take any action, omit to take any action or enter into any other transaction that would have the effect of increasing the Tax liability or reducing any Tax asset of Buyer in respect of any Post-Closing Tax Period; or

(x) any Contract to do any of the foregoing, or any action or omission that would result in any of the foregoing.

3.9 Material Contracts.

(a) **Schedule 3.9(a)** lists each of the following Contracts of the Company (such Contracts, together with all Contracts concerning the occupancy, management or operation of any Real Property (including without limitation, brokerage contracts) listed or otherwise disclosed in **Schedule 3.10(b)** and all Company IP Agreements set forth in **Schedule 3.12(b)**, being "**Material Contracts**"):

(i) each Contract involving aggregate consideration in excess of $10,000 per annum and which, in each case, cannot be cancelled by the Company without penalty or without more than 30 days' notice;

(ii) all Contracts that require the Company to purchase its total requirements of any product or service from a third party or that contain "take or pay" provisions;

(iii) all Contracts that provide for the indemnification by the Company of any Person or the assumption of any Tax, environmental or other Liability of any Person;

(iv) all Contracts that relate to the acquisition or disposition of any business, a material amount of stock or assets of any other Person or any real property (whether by merger, sale of stock, sale of assets or otherwise);

(v) all broker, distributor, dealer, manufacturer's representative, franchise, agency, sales promotion, market research, marketing consulting and advertising Contracts;

(vi) all employment agreements and Contracts with independent contractors or consultants (or similar arrangements);

(vii) except for Contracts relating to trade receivables, all Contracts relating to indebtedness (including, without limitation, guarantees) of the Company;

(viii) all Contracts with any Governmental Authority ("**Government Contracts**");

(ix) all Contracts that limit or purport to limit the ability of the Company to compete in any line of business or with any Person or in any geographic area or during any period of time;

(x) any Contracts that provide for any joint venture, partnership or similar arrangement;

(xi) all collective bargaining agreements or Contracts with any Union; and

(xii) any other Contract that is material to the Company and not previously disclosed pursuant to this Section 3.9.

(b) Each Material Contract is valid and binding on the Company in accordance with its terms and is in full force and effect. None of the Company or, to the Company's Knowledge, any other party thereto is in breach of or default under (or is alleged to be in breach of or default under), or has provided or received any notice of any intention to terminate, any Material Contract. No event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any Material Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder. Complete and correct copies of each Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to Buyer.

3.10 Title to Assets; Real Property.

(a) The Company has good and valid title to all personal property and other assets reflected in the Financial Statements or acquired after the Balance Sheet Date, or a valid leasehold interest therein, other than properties and assets sold or otherwise disposed of in the

ordinary course of business consistent with past practice since the Balance Sheet Date. All such properties and assets (including leasehold interests) are free and clear of Encumbrances

(b) The Company does not own any real property. **Schedule 3.10(b)** lists (i) the street address of each location where the Company operates the Business; (ii) if such property is leased or subleased by the Company, the landlord under the lease, the rental amount currently being paid, and the expiration of the term of such lease or sublease for each leased or subleased property; and (iii) the current use of such property (collectively the "**Leased Real Property**"). With respect to Leased Real Property, the Company has delivered or made available to Buyer true, complete and correct copies of any leases affecting the Leased Real Property. The Company is not a sublessor or grantor under any sublease or other instrument granting to any other Person any right to the possession, lease, occupancy or enjoyment of any Leased Real Property. The use and operation of the Leased Real Property in the conduct of the Business does not violate in any material respect any Law, covenant, condition, restriction, easement, license, permit or agreement. No material improvements constituting a part of the Leased Real Property encroach on real property owned or leased by a Person other than the Company. There are no Actions pending nor, to the Company's Knowledge, threatened against or affecting the Leased Real Property or any portion thereof or interest therein in the nature or in lieu of condemnation or eminent domain proceedings.

3.11 Condition And Sufficiency of Assets. The buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property of the Company are structurally sound, are in good operating condition and repair, ordinary wear and tear excepted, and are adequate for the uses to which they are being put, and none of such buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost. The buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property currently owned or leased by the Company, together with all other properties and assets of the Company, are sufficient for the continued conduct of the business of the Company after the Closing in substantially the same manner as conducted prior to the Closing and constitute all of the rights, property and assets necessary to conduct the business of the Company as currently conducted.

3.12 Intellectual Property.

(a) **Schedule 3.12(a)** lists all (i) Company IP Registrations and (ii) Company Intellectual Property, including software, that are not registered but that are material to the Company's business or operations. All required filings and fees related to the Company IP Registrations have been timely filed with and paid to the relevant Governmental Authorities and authorized registrars, and all Company IP Registrations are otherwise in good standing. The Company has provided Buyer with true and complete copies of file histories, documents, certificates, office actions, correspondence and other materials related to all Company IP Registrations.

(b) **Schedule 3.12(b)** lists all Company IP Agreements. The Company has provided Buyer with true and complete copies of all such Company IP Agreements, including all modifications, amendments and supplements thereto and waivers thereunder. Each Company IP Agreement is valid and binding on the Company, in accordance with its terms and is in full force and effect. The Company is not in breach of or default under (or is alleged to be in breach of or default under), nor has the Company provided or received any notice of breach or default of or any intention to terminate, any Company IP Agreement. No other party to any Company IP

Agreement is, to the Company's Knowledge, in breach of or default thereunder (or is alleged to be in breach of or default thereunder).

(c) The Company is the sole and exclusive legal and beneficial, and with respect to the Company IP Registrations, record, owner of all right, title and interest in and to the Company Intellectual Property, and has the valid right to use all other Intellectual Property used in or necessary for the conduct of the current business or operations of the Company, free and clear of Encumbrances other than Permitted Encumbrances. Without limiting the generality of the foregoing, the Company has entered into binding, written agreements with every current and former employee, and with every current and former independent contractor, whereby such employees and independent contractors (i) assign to the Company any ownership interest and right they may have in the Company Intellectual Property; and (ii) acknowledge the Company's exclusive ownership of all Company Intellectual Property. The Company has provided Buyer with true and complete copies of all such agreements.

(d) The consummation of the transactions contemplated under this Agreement will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other Person in respect of, the Company's right to own, use or hold for use any Intellectual Property as owned, used or held for use in the conduct of the business or operations of the Company as currently conducted.

(e) The Company's' rights in the Company Intellectual Property are valid, subsisting and enforceable. The Company has taken all reasonable security measures to protect the secrecy, confidentiality and value of all Trade Secrets owned by any Company or used or held for use by any Company (the "**Company Trade Secrets**"), including, without limitation, requiring each employee and consultant of any Company and any other Person with access to Company Trade Secrets to execute a binding confidentiality agreement, copies or forms of which have been provided to Buyer and, to the Knowledge of Sellers, there has not been any breach by any party to such confidentiality agreements. All employees and consultants of the Company have executed confidentiality agreements substantially in the form provided to the Buyer and such confidentiality agreements are valid and binding on each employee and consultant, enforceable in accordance with its terms and of full force and effect.

(f) The conduct of the business of the Company as currently and formerly conducted, and the products, processes and services of the Company, have not infringed, misappropriated, diluted or otherwise violated, and do not and will not infringe, dilute, misappropriate or otherwise violate the Intellectual Property or other rights of any Person. To the Company's Knowledge, no Person has infringed, misappropriated, diluted or otherwise violated, or is currently infringing, misappropriating, diluting or otherwise violating, any Company Intellectual Property.

(g) There are no Actions (including any oppositions, interferences or re-examinations) settled, pending or threatened (including in the form of offers to obtain a license): (i) alleging any infringement, misappropriation or dilution of any Company Intellectual Property; (ii) challenging the validity, enforceability, registrability or ownership of any Company Intellectual Property or the Company's rights with respect to any Company Intellectual Property; or (iii) by the Company or any other Person alleging any infringement, misappropriation, dilution or violation by any Person of the Company Intellectual Property. The Company is not subject to any outstanding or prospective Governmental Order (including any motion or petition therefor) that does or would restrict or impair the use of any Company Intellectual Property.

(h) The Company and all third parties acting on behalf of the Group Company that have or have had access to Personal Information or Behavioral Information (collectively, "**Private Information**") collected by or on behalf of the Company and the Company Subsidiaries, comply, and have always complied, with all (i) contractual obligations internal and public-facing privacy and/or security policies of the Company, (ii) public statements that the Company has made regarding their respective privacy and/or data security policies or practices, (iii) rules of applicable self-regulatory organizations, (iv) the Payment Card Industry Data Security Standard, and all other rules and requirements of payment card brands; (v) applicable published industry standards (collectively, "**Privacy Laws and Requirements**") relating to (A) the privacy of users of any of each of the Company and Company Subsidiaries' web properties, products and/or services; (B) the collection, use, storage, retention, disclosure, transfer, disposal, or any other processing of any Private Information collected or used by each of the Company and Company Subsidiaries and/or by third parties having access to such information; and (C) the transmission of marketing and/or commercial messages through any means, including, without limitation, via email, text message and/or any other means. The execution, delivery and performance of this Agreement complies with all Privacy Laws and Requirements. Each Company maintains privacy policies that describe their respective policies with respect to the collection, use, storage, retention, disclosure, transfer, disposal or other processing of Private Information. True and correct copies of all such privacy policies have been made available to Buyer. Each such privacy policy and all materials distributed or marketed by the Company have at all times included all information and made all disclosures to users or customers required by all Privacy Laws and Requirements, and none of such disclosures made or contained in any such privacy policy or in any such materials has been inaccurate, misleading or deceptive or in violation of any Privacy Laws and Requirements. There is no complaint to, or any audit, proceeding, investigation (formal or informal) or claim currently pending against, any Company by any private party, the Federal Trade Commission, any state attorney general or similar state official, or any other Governmental Authority, foreign or domestic, with respect to the collection, use, retention, disclosure, transfer, storage or disposal of Private Information. Each Company has at all times taken all steps reasonably necessary (including encrypting data before it is transmitted and implementing and monitoring compliance with adequate measures with respect to technical and physical security) to protect Private Information against loss and against unauthorized access, use, modification, disclosure or other misuse. There has been no unauthorized access to, disclosure of and/or other misuse of any Private Information nor has there been any breach in security of any of the information systems used to store or otherwise process any Private Information.

(i) **Schedule 3.12(i)** describes the physical security measures that the Company uses to protect the unauthorized use and disclosure of Private Information. The Company has, at all times, been in compliance with all such physical security measures.

(j) The Company is a "business associate" as defined in 45 CFR §160.103 and **Schedule 3.12(j)** sets forth all parties for whom the Company entered any Contract with any Person designating the Company as a "business associate." The Company has provided the Buyer with copies of all Contracts designating the Company as a "business associate."

(k) The Company has handled, maintained, processed and used Private Information only in connection with the provisions of services to a customer and, in each such case, only in compliance with the instructions of the customer.

(l) The Company does not use any Free and Open Source Software in connection with the Business.

(m) The Company has not used any funding, facilities or personnel of any educational institution or Governmental Authority to develop or create, in whole or in part, any Company Intellectual Property, including any Covered Product. The Company is and has never been a member or promoter of, or a contributor to, any industry standards body or similar organization which, as a result thereof, has a legal right to compel such Company to grant or offer to any third Person any license or right to Company Intellectual Property, including the Covered Products.

(n) The Company has written policies related to information security. The Company has delivered copies of the information security policies to the Buyer. The Company is in compliance with the information security policies and have maintained an incident handling program to handle any security breaches. **Schedule 3.12(n)** sets forth all incidences of security breaches with respect to the IT Systems and Covered Products since January 1, 2015 and describes how the security breach was discovered and resolved.

3.13 Accounts Receivable. The accounts receivable reflected on the Balance Sheet and the accounts receivable arising after the date thereof (a) have arisen from bona fide transactions entered into by the Company involving the sale of goods or the rendering of services in the ordinary course of business consistent with past practice; (b) constitute only valid, undisputed claims of the Company not subject to claims of set-off or other defenses or counterclaims other than normal cash discounts accrued in the ordinary course of business consistent with past practice; and (c) subject to a reserve for bad debts shown on the Balance Sheet or, with respect to accounts receivable arising after the Balance Sheet Date, on the accounting records of the Company, are collectible in full within 90 days after billing. The reserve for bad debts shown on the Balance Sheet or, with respect to accounts receivable arising after the Balance Sheet Date, on the accounting records of the Company have been determined in accordance with GAAP, consistently applied, subject to normal year-end adjustments and the absence of disclosures normally made in footnotes.

3.14 Customers, Suppliers and Covered Products.

(a) **Schedule 3.14(a)** sets forth (i) each customer who has paid aggregate consideration to the Company or any of its Company Subsidiaries for goods or services rendered, including the license of Covered Products, in an amount greater than or equal to $10,000, for each of the two most recent fiscal years (collectively, the "**Material Customers**"); and (ii) the amount of consideration paid by each Material Customer during such periods. The Company has not received any notice that any of its Material Customers have ceased, or intend to cease after the Closing, to use its goods or services, including the license of Covered Products or to otherwise terminate or materially reduce its relationship with the Company. **Schedule 3.14(a)** also identifies any affiliations or other relationships between Material Customers. Except as disclosed on **Schedule 3.14(a)**, the loss of any Material Customer is not likely to create a Material Adverse Effect.

(b) **Schedule 3.14(b)** sets forth (i) each supplier to whom the Company has paid consideration for goods or services rendered in an amount greater than or equal to $10,000, for each of the three most recent fiscal years (collectively, the "**Material Suppliers**"); and (ii) the amount of purchases from each Material Supplier during such periods. The Company has not received any notice that any of its Material Suppliers have ceased, or intend to cease, to supply goods or services to the Company or to otherwise terminate or materially reduce its relationship with the Company.

(c) **Schedule 3.14(c)** sets forth a list of all Covered Products, the services provided by such Covered Products, the standard rates that are charged to customers for such Covered Products and the customers that are using such Covered Products. **Schedule 3.14(c)** also sets

forth any products or services that the Company intends to offer to customers, the rates that the Company expects to charge and the current status of any roll-out of such additional products or services.

(d) Each service provided by the Company in connection with a Covered Product is and was, when performed, in compliance with all applicable contractual obligations, including all applicable express and implied warranties. The Company has provided to Buyer true, correct and complete copies of its standard license agreements and other standard terms and conditions regarding the provision of its services and the Covered Products (including any applicable guarantee, warranty and indemnity provisions) (the "**Standard Terms and Conditions**"). No service performed by the Company or in connection with a Covered Product is subject to any guarantee, warranty or other indemnity beyond those provided in the Standard Terms and Conditions. There are no breach of warranty claims pending, or, to Company's Knowledge, threatened, against the Company regarding any Covered Product or service provided to a customer

3.15 Insurance. Schedule 3.15 sets forth a true and complete list of all current policies or binders of fire, liability, product liability, umbrella liability, real and personal property, workers' compensation, vehicular, directors, and officers' liability, fiduciary liability and other casualty and property insurance maintained by Company and relating to the assets, business, operations, employees, officers and directors of the Company (collectively, the "**Insurance Policies**") and true and complete copies of such Insurance Policies have been made available to Buyer. Such Insurance Policies are in full force and effect and shall remain in full force and effect following the consummation of the transactions contemplated by this Agreement except as otherwise directed by the Buyer, The Company has not received any written notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of such Insurance Policies. All premiums due on such Insurance Policies have either been paid or, if due and payable prior to Closing, will be paid prior to Closing in accordance with the payment terms of each Insurance Policy. The Insurance Policies do not provide for any retrospective premium adjustment or other experience-based liability on the part of the Company. All such Insurance Policies (a) are valid and binding in accordance with their terms; (b) are provided by carriers who are financially solvent; and (c) have not been subject to any lapse in coverage. There are no claims related to the business of the Company pending under any such Insurance Policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights. The Company is not in default under, and has otherwise failed to comply with, in any material respect, any provision contained in any such Insurance Policy. The Insurance Policies are of the type and in the amounts customarily carried by Persons conducting a business similar to the Company and are sufficient for compliance with all applicable Laws and Contracts to which the Company is a party or by which it is bound.

3.16 Legal Proceedings; Governmental Orders.

(a) There are no Actions pending or, to the Company's Knowledge, threatened (a) against or by the Company affecting any of its properties or assets; or (b) against or by the Company that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

(b) There are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or affecting the Company or any properties or assets of Company. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Governmental Order.

3.17 Compliance With Laws; Permits.

(a) The Company has complied, and is now complying, with all Laws applicable to it or its business, properties or assets.

(b) All Permits required for the Company to conduct its business have been obtained by it and are valid and in full force and effect. All fees and charges with respect to such Permits as of the date of this Agreement have been paid in full. **Schedule 3.17(b)** lists all current Permits issued to the Company, including the names of the Permits and their respective dates of issuance and expiration. No event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Permit set forth in **Schedule 3.17(b)**.

3.18 Employee Benefit Matters.

(a) **Schedule 3.18(a)** contains a true and complete list of each pension, benefit, retirement, compensation, employment, consulting, profit-sharing, deferred compensation, incentive, bonus, performance award, phantom equity, stock or stock-based, change in control, retention, severance, vacation, paid time off, welfare, fringe-benefit and other similar agreement, plan, policy, program or arrangement (and any amendments thereto), in each case whether or not reduced to writing and whether funded or unfunded, including each "employee benefit plan" within the meaning of Section 3(3) of ERISA, whether or not tax-qualified and whether or not subject to ERISA, which is or has been maintained, sponsored, contributed to, or required to be contributed to by the Company for the benefit of any current or former employee, officer, director, retiree, independent contractor or consultant of the Company or any spouse or dependent of such individual, or under which the Company has or may have any Liability (as listed on **Schedule 3.18(a),** each, a "**Benefit Plan**"). The Company has separately identified in **Schedule 3.18(a)** each Benefit Plan that contains a change in control provision.

(b) With respect to each Benefit Plan, the Company has made available to Buyer accurate, current and complete copies of each of the following: (i) where the Benefit Plan has been reduced to writing, the plan document together with all amendments; (ii) where the Benefit Plan has not been reduced to writing, a written summary of all material plan terms; (iii) where applicable, copies of any trust agreements or other funding arrangements, custodial agreements, insurance policies and contracts, administration agreements and similar agreements, and investment management or investment advisory agreements, now in effect or required in the future as a result of the transactions contemplated by this Agreement or otherwise; (iv) copies of any summary plan descriptions, summaries of material modifications, employee handbooks and any other written communications (or a description of any oral communications) relating to any Benefit Plan; (v) in the case of any Benefit Plan that is intended to be qualified under Section 401(a) of the Code, a copy of the most recent determination, opinion or advisory letter from the Internal Revenue Service; (vi) in the case of any Benefit Plan for which a Form 5500 is required to be filed, a copy of the two most recently filed Form 5500, with schedules and financial statements attached; (vii) actuarial valuations and reports related to any Benefit Plans with respect to the two most recently completed plan years; (viii) the most recent nondiscrimination tests performed under the Code; and (ix) copies of material notices, letters or other correspondence from the Internal Revenue Service, Department of Labor, Pension Benefit Guaranty Corporation or other Governmental Authority relating to the Benefit Plan.

(c) Each Benefit Plan and any related trust (other than any multiemployer plan within the meaning of Section 3(37) of ERISA (each a "**Multiemployer Plan**") complies with all

applicable Laws (including ERISA and the Code). Each Benefit Plan that is intended to be qualified within the meaning of Section 401(a) of the Code (a "**Qualified Benefit Plan**") is so qualified and has received a favorable and current determination letter from the Internal Revenue Service, or with respect to a prototype plan, can rely on an opinion letter from the Internal Revenue Service to the prototype plan sponsor, to the effect that such Qualified Benefit Plan is so qualified and that the plan and the trust related thereto are exempt from federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, and nothing has occurred that could reasonably be expected to adversely affect the qualified status of any Qualified Benefit Plan. Nothing has occurred with respect to any Benefit Plan that has subjected or could reasonably be expected to subject the Company or, with respect to any period on or after the Closing Date, Buyer or any of its Affiliates, to a penalty under Section 502 of ERISA or to tax or penalty under Section 4975 of the Code. All benefits, contributions and premiums relating to each Benefit Plan have been timely paid in accordance with the terms of such Benefit Plan.

(d) Neither the Company nor any of its ERISA Affiliates has (i) incurred or reasonably expects to incur, either directly or indirectly, any material Liability under Title I or Title IV of ERISA or related provisions of the Code or applicable local Law relating to employee benefit plans; (ii) failed to timely pay premiums to the Pension Benefit Guaranty Corporation; (iii) withdrawn from any Benefit Plan; or (iv) engaged in any transaction which would give rise to liability under Section 4069 or Section 4212(c) of ERISA.

(e) With respect to each Benefit Plan, (i) no such plan is a "multiple employer plan" within the meaning of Section 413(c) of the Code or a "multiple employer welfare arrangement" (as defined in Section 3(40) of ERISA) except as set forth on Schedule 3.18 (e)(i); (ii) no Action has been initiated by the Pension Benefit Guaranty Corporation to terminate any such plan or to appoint a trustee for any such plan; and (iii) no "reportable event," as defined in Section 4043 of ERISA, has occurred with respect to any such plan. To the Knowledge of Sellers, the Benefit Plan identified on Schedule 3.18(e)(i) complies with and has been operated in compliance with all applicable Laws.

(f) Each Benefit Plan can be amended, terminated or otherwise discontinued after the Closing in accordance with its terms, without material liabilities to Buyer, the Company or any of their Affiliates other than ordinary administrative expenses typically incurred in a termination event. The Company has no commitment or obligation and has not made any representations to any employee, officer, director, independent contractor or consultant, whether or not legally binding, to adopt, amend, modify or terminate any Benefit Plan or any collective bargaining agreement, in connection with the consummation of the transactions contemplated by this Agreement or otherwise.

(g) Other than as required under Section 601 et. seq. of ERISA or other applicable Law, no Benefit Plan provides post-termination or retiree welfare benefits to any individual for any reason, and neither the Company nor any of its ERISA Affiliates has any Liability to provide post-termination or retiree welfare benefits to any individual or ever represented, promised or contracted to any individual that such individual would be provided with post-termination or retiree welfare benefits.

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

(i) There has been no amendment to, announcement by the Company or any of its Affiliates relating to, or change in the terms and conditions of employee participation or coverage under (except as already contemplated by), any Benefit Plan that would (solely on account of such amendment, announcement or change) increase the annual expense of maintaining such plan above the level of the expense incurred for the most recently completed fiscal year with respect to any director, officer, employee, independent contractor or consultant, as applicable. Neither the Company nor any of its Affiliates has any commitment or obligation or has made any representations to any director, officer, employee, independent contractor or consultant, whether or not legally binding, to adopt, amend, modify or terminate any Benefit Plan.

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

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

(l) Neither the execution of this Agreement nor any of the transactions contemplated by this Agreement will (either alone or upon the occurrence of any additional or subsequent events): (i) entitle any current or former director, officer, employee, independent contractor or consultant of the Company to severance pay or any other payment; (ii) accelerate the time of payment, funding or vesting, or increase the amount of compensation due to any such individual; (iii) limit or restrict the right of the Company to merge, amend or terminate any Benefit Plan; or (iv) increase the amount payable under or result in any other material obligation pursuant to any Benefit Plan;.

3.19 Employment Matters.

(a) **Schedule 3.19(a)** contains a list of all persons who are employees, independent contractors or consultants of the Company as of the date of this Agreement, including any employee who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized, and sets forth for each such individual the following: (i) name; (ii) title or position (including whether full or part time); (iii) hire date; (iv) current annual base compensation rate; (v) commission, bonus or other incentive-based compensation; and (vi) a description of the fringe benefits provided to each such individual as of the date of this Agreement. As of the date of this Agreement, all compensation, including wages, commissions and bonuses, payable to all employees, independent contractors or consultants of the Company for services performed on or prior to the date of this Agreement have been paid in full and there are no outstanding agreements, understandings or commitments of the Company with respect to any compensation, commissions or bonuses.

(b) The Company is not a party to, bound by, or negotiating any collective bargaining agreement or other Contract with a union, works council or labor organization (collectively, "**Union**"), and there is not any Union representing or purporting to represent any employee of the Company, and, to the Company's Knowledge, no Union or group of employees is seeking or has sought to organize employees for the purpose of collective bargaining. There has never been, nor has there been any threat of, any strike, slowdown, work stoppage, lockout,

concerted refusal to work overtime or other similar labor disruption or dispute affecting the Company.

(c) The Company is and has been in compliance in all material respects with all applicable Laws pertaining to employment and employment practices, including all Laws relating to labor relations, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation, child labor, hiring, promotion and termination of employees, working conditions, meal and break periods, privacy, health and safety, workers' compensation, leaves of absence and unemployment insurance. All individuals characterized and treated by the Company as independent contractors or consultants are properly treated as independent contractors under all applicable Laws. All employees of the Company classified as exempt under the Fair Labor Standards Act and state and local wage and hour laws are properly classified. There are no Actions against the Company pending, or to the Company's Knowledge, threatened to be brought or filed, by or with any Governmental Authority or arbitrator in connection with the employment of any current or former applicant, employee, consultant or independent contractor of the Company, including, without limitation, any claim relating to unfair labor practices, employment discrimination, harassment, retaliation, equal pay, wage and hours or any other employment-related matter arising under applicable Laws.

3.20 Taxes. Except as set forth in **Schedule 3.20**:

(a) All Tax Returns required to be filed on or before the Closing Date by the Company have been, or will be, timely filed. Such Tax Returns are, or will be, true, complete and correct in all respects. All Taxes due and owing by the Company (whether or not shown on any Tax Return) have been, or will be, timely paid.

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

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

(d) No extensions or waivers of statutes of limitations have been given or requested with respect to any Taxes of the Company.

(e) All deficiencies asserted, or assessments made, against the Company as a result of any examinations by any taxing authority have been fully paid.

(f) The Company is not a party to any Action by any taxing authority. There are no pending or threatened Actions by any taxing authority.

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

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

(i) No private letter rulings, technical advice memoranda or similar agreement or rulings have been requested, entered into or issued by any taxing authority with respect to the Company.

(j) The Company has not been a member of an affiliated, combined, consolidated or unitary Tax group for Tax purposes. The Company has no Liability for Taxes of any Person (other than the Company) under Treasury Regulations Section 1.1502-6 (or any corresponding provision of state, local or foreign Law), as transferee or successor, by contract or otherwise.

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

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

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

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

(iv) any closing agreement under Section 7121 of the Code, or similar provision of state, local or foreign Law; or

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

(l) The Company is not and has not been a United States real property holding corporation (as defined in Section 897(c)(2) of the Code) during the applicable period specified in Section 897(c)(1)(a) of the Code.

(m) The Company has not been a "distributing corporation" or a "controlled corporation" in connection with a distribution described in Section 355 of the Code.

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

(o) There are no Liens on any of the assets of the Company that arose in connection with any failure (or alleged failure) to pay any Tax;

(p) The Company does not have any indemnity obligation for any Taxes imposed under Section 4999 or 409A of the Code;

(q) The Company has uses the cash method of accounting for income Tax purposes; and

(r) The Company has been at all times since its inception properly treated as an "S corporation" under Section 1361(a)(1) of the Code and for all applicable state and local Tax purposes.

3.21 Books and Records. The minute books and stock record books of the Company, all of which have been made available to Buyer, are complete and correct and have been maintained in accordance with sound business practices. The minute books of the Company contain accurate and complete records of all meetings, and actions taken by written consent of, the Sellers, the Company's board of directors ("Company Board") and any committees of the Company Board, and no meeting, or action taken by written consent, of any such Sellers, Company Board or committee has been held for which minutes have not been prepared and are not contained in such minute books. At the Closing, all of those books and records will be in the possession of the Company.

3.22 Related Party Transactions. Except as set forth on **Schedule 3.22**, no executive officer mor director of the Company or any Person owning 5% or more of the equity interest of the Company (or any of such Person's immediate family members or Affiliates or associates) is a party to any Contract with or binding upon the Company or any of its assets, rights or properties or has any interest in any property owned by the Company or has engaged in any transaction with any of the foregoing within the last twelve (12) months.

3.23 No Material Adverse Effect. Since January 1, 2016, no fact, event or circumstance has occurred or arisen that, individually or in combination with any other fact, event or circumstance, has had or would reasonably be expected to have a Material Adverse Effect.

3.24 Bank Accounts. **Schedule 3.24** lists all the Company's bank accounts, safety deposit boxes and lock boxes (designating each authorized signatory with respect to such account or box).

3.25 Names. Except as set forth on **Schedule 3.25**, during the five-year period prior to the Closing Date, the Company and the Company Subsidiaries have not used any name or names under which it has invoiced account debtors, maintained records concerning their respective assets or otherwise conducted business other than the exact name set forth in the Company's Charter Documents.

3.26 Custodial Accounts. The Company does not maintain, monitor or otherwise handle custodial accounts in connection with the Business.

3.27 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any Transaction Document based upon arrangements made by or on behalf of the Company.

3.28 Full Disclosure. No representation or warranty by the Company in this Agreement and no statement contained in the Disclosure Schedules to this Agreement or any certificate or other document furnished or to be furnished to Buyer pursuant to this Agreement 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.

ARTICLE IV
SEVERAL REPRESENTATIONS AND WARRANTIES OF SELLERS

Except as set forth in the Disclosure Schedules, each Seller, severally and not jointly, represents and warrants to Buyer that the statements contained in this Article IV are true and correct as of the date of this Agreement.

4.1 Authority; Enforceability. The Seller has the requisite legal capacity, power and authority to enter into and perform its obligations under this Agreement and the Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Seller, and (assuming due execution and delivery

by each other party hereto) this Agreement constitutes a legal, valid and binding obligation of the Seller enforceable against the Seller in accordance with its terms. When each Transaction Document to which the Seller is or will be a party has been duly executed and delivered by the Seller (assuming due execution and delivery by each other party thereto), such Transaction Document will constitute a legal and binding obligation of the Seller enforceable against it in accordance with its terms. If the Seller is an individual, the execution and delivery by such Seller of this Agreement and the Transaction Documents to which it is a party and the consummation by such Seller of the transactions contemplated hereby and thereby do not require the consent from any spouse or any immediate family member of such Seller.

4.2 No Conflicts; Consents. The execution, delivery and performance by the Seller of this Agreement and the Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (i) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to the Seller; (ii) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Contract to which the Seller is a party or by which the Seller is bound or to which any of Seller's properties and assets are subject; or (iii) result in the creation or imposition of any Encumbrance on Seller's Equity Interest. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to the Seller in connection with the execution, delivery and performance of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby.

4.3 Title to Equity Interest. Each Seller is the record and beneficial owner of the number of Shares set forth next to such Seller's name on **Schedule 4.3.** Each Seller has good title to such Shares free and clear of all Encumbrances.

4.4 Brokers. Except as set forth on **Schedule 4.4**, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any Transaction Document based upon arrangements made by or on behalf of the Company.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to each Seller that the statements contained in this Article V are true and correct as of the date of this Agreement.

5.1 Organization and Authority. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the state of Delaware. Buyer has full corporate power and authority to enter into and perform its obligations under this Agreement and the Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by Buyer of this Agreement and any Transaction Document to which it is a party and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Buyer and no other corporate proceedings on the part of Buyer is necessary to authorize the execution, delivery and performance of this Agreement or to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by Buyer, and (assuming due execution and delivery by each other party hereto) this Agreement constitutes a legal, valid and binding obligation of Buyer enforceable against it in accordance with its terms. When each Transaction Document to which Buyer is or will be a party has been duly executed and delivered by it (assuming due execution and delivery by each other party thereto), such Transaction Document will constitute a legal and binding obligation of Buyer enforceable against it in accordance with its terms.

5.2 No Conflicts; Consents. The execution, delivery and performance by Buyer of this Agreement and the Transaction Documents to which it is a party, and the consummation of the transactions contemplated by this Agreement and the Transaction Documents, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the certificate of incorporation, by-laws or other organizational documents of Buyer; (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Buyer; or (c) except for consent of Buyer's principal secured lender, require the consent, notice or other action by any Person under any Contract to which Buyer is a party. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Buyer in connection with the execution, delivery and performance of this Agreement and the Transaction Documents and the consummation of the transactions contemplated by this Agreement and the Transaction Documents

5.3 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any Transaction Document based upon arrangements made by or on behalf of Buyer.

5.4 Investment Purpose. Buyer is acquiring the Shares solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof. Buyer acknowledges that the Shares are not registered under the Securities Act, or any state securities laws, and that the Shares may not be transferred or sold except pursuant to the registration provisions of the Securities Act or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable. Buyer is an "accredited investor" as defined under Rule 501(a) of Regulation D.

ARTICLE VI
COVENANTS

6.1 Access to Information. From and after the execution of this Agreement, each Seller shall (1) hold, and shall use its reasonable best efforts to cause his, her or its Affiliates and Representatives to hold, in confidence any and all information, whether written or oral, concerning the Company, except to the extent that Seller can show that such information (a) is generally available to and known by the public through no fault of Seller, any of its Affiliates or its Representatives; or (b) is lawfully acquired by Seller, any of its Affiliates or its Representatives from and after the Closing from sources which are not prohibited from disclosing such information by a legal, contractual or fiduciary obligation and (2) until public disclosure of this Agreement by the Buyer, not purchase or sell, or advise or permit his, her or its Affiliates, Representatives or other parties with knowledge of the existence of this Agreement or the transactions contemplated by this Agreement to purchase or sell, any equity securities of Buyer or any interest in the Buyer. If a Seller or any of his, her or its Affiliates or its Representatives are compelled to disclose any information by judicial or administrative process or by other requirements of Law, such Seller shall promptly notify Buyer in writing and shall disclose only that portion of such information which such Seller is advised by his, her or its counsel in writing is legally required to be disclosed; provided that such Seller shall use reasonable best efforts to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information.

6.2 Restrictive Covenants. In consideration of the benefits, economic or otherwise, that each Seller will derive as a result of this Agreement and in order to promote and protect the legitimate business interests of Buyer and its Affiliates which Seller hereby acknowledges and agrees includes the Company, each Seller hereby agrees to the following restrictive covenants to induce Buyer to enter into this Agreement which such covenants are a material inducement and integral to Buyer entering into this Agreement and upon which Buyer and its Affiliates are relying upon.

(a) **Disclosure**. **Schedule 6.2(a)**

contains a true and correct list, as of the Effective Time, of the Current Customers and the Potential Customers.

(b) **Noncompetition.** For a period of five (5) years commencing on the Closing Date (the "**Restricted Period**"), each Seller agrees that he, she or it shall not, directly or indirectly, (i) enter into, engage, in, consult, manage or otherwise participate in the operation of any business which provides products or services that compete with the Covered Products or the Business of the Company in the United States of America; or (ii) promote or assist, financially or otherwise, any Person engaged in any business which provides products or services that compete with the Covered Products or the Business of the Company in the United States of America. Nothing in this Section 6.4 will prohibit any Seller from acquiring or holding shares of common stock in the Buyer or at any one time a passive investment of less than two percent of the outstanding shares of any publicly traded corporation that may compete with the Company.

(c) **NonSolicitation of Employees.** During the Restricted Period, each Seller shall not, and shall not permit any of his Affiliates, and any employees or independent contractors of each such Seller and any of his, her or its Affiliates, directly or indirectly (i) hire or solicit away from the Company or Buyer any of the Company's employees or contractors; (ii) encourage any of the Company's or Buyer's employees or contractors to leave their employment or terminate their contractor relationship with the Company or Buyer; or (iii) hire or engage any employee or contractor who, voluntarily or involuntarily, has (A) left the Company's or Buyer's employ or (B) terminated his, her or its contractor relationship with the Company or Buyer, unless in either case more than 12 months have passed from the date of termination of such Person's employment or contract with the Company or Buyer.

(d) **NonSolicitation of Customers**. During the Restricted Period, each Seller shall not, and shall not permit any of his Affiliates, and any employees or independent contractors of each such Seller and any of his, her or its Affiliates to, directly or indirectly (i) solicit or entice, or attempt to solicit or entice, any Current Customers or Potential Customers for purposes of acquiring or diverting their business or services from the Company or Buyer or (ii) contract with any Current Customers or Potential Customers to provide products or services that compete, in whole or in part, with any Covered Product; or (iii) hold themselves out, or market themselves, as a successor to the Company or Buyer, except to the extent that such information is in the public domain as a result of disclosure by or through the Company or Buyer, or such information is represented as a material aspect of a resume, biographical information or public experience profile. With respect to the Critical Customers, the restrictions under this Section 6.2(d) shall continue for a period of seven (7) years after the Closing Date.

(e) **Remedies**. Each Seller acknowledges and agrees that money damages would not be an adequate remedy for any breach or threatened breach of the provisions of this Section 6.2 and that, in such event, Buyers and its Affiliates, in addition to any other rights and remedies existing in their favor, be entitled to specific performance, injunctive or other equitable relief from any court of competent jurisdiction in order to enforce or prevent any violations of the provisions of this Section 6.2 (including the extension of the Restricted Period by a period equal to the length of the court proceedings necessary to stop such violation). Any injunction shall be available without the posting of any bond or other security and without having to demonstrate irreparable harm. In the event of an alleged breach or violation by any Seller of any of the provisions, the Restricted Period will be tolled for such Seller until such alleged breach or violation is resolved.

(f) **Acknowledgement**. Each Seller acknowledges and agrees that (i) during the Restricted Period, Buyer and its Affiliates would be irreparably damaged if such Seller were to engage in any business competing with the Covered Products or the Business and that any such competition by any Seller would result in a significant loss of goodwill by Buyer in respect of the Businesses for which money damages would be an insufficient remedy, (ii the value of the trade secrets and other Confidential Information of the Businesses arises from the fact that such information is not generally known in the marketplace, (iii) the Company's trade secrets and other Confidential Information will have continuing vitality throughout and beyond the Restricted Period, (iv) such Seller has and will have such sufficient knowledge of the Company's trade secrets and other Confidential Information that, if such Person were to compete with the Company during the Restricted Period, such Person would cause irreparable harm to the Buyer, (v) the covenants and agreements set forth in this Section 6.2 are an additional consideration of the agreements and covenants of Buyer and Sellers under this Agreement and were a material inducement to Buyer to enter into this Agreement and to perform their obligations hereunder, and that Buyer and its Affiliates would not obtain the benefit of the bargain set forth in this Agreement as specifically negotiated by the Parties if any Seller breached the provisions set forth in this Section 6.2, (vi) the restrictions contained in this Section 6.4 are reasonable in all respects (including, with respect to subject matter, time period and geographical area) and are necessary to protect Buyers' interest in, and the value of, the Business (including, the goodwill inherent therein) and (vii) the Sellers and Sellers are primarily responsible for the creation of such value.

(g) **Enforcement**. If, at the time of enforcement of any of the provisions of this Section 6.2, a court determines that the restrictions stated herein are unreasonable under the circumstances then existing, then the maximum period, scope or geographical area reasonable under the circumstances shall be substituted for the stated period, scope or area and such court shall be allowed to revise the restrictions contained herein to cover the maximum period, scope or geographical area permitted by law.

6.3 Directors' and Officers' Indemnification.

(a) Buyer agrees that all rights to indemnification, advancement of expenses and exculpation by the Company now existing in favor of each Person who is now, or has been at any time prior to the date of this Agreement or who becomes prior to the Closing Date an officer or director of the Company (each a "**D&O Indemnified Party**") as provided in the Company Charter Documents, in each case as in effect on the date of this Agreement, or pursuant to any other Contracts in effect on the date of this Agreement and disclosed in Schedule 6.3, shall survive the Closing Date and shall remain in full force and effect in accordance with their terms, and, in the event that any proceeding is pending or asserted or any claim made during such period, until the final disposition of such proceeding or claim.

(b) The obligations of Buyer and the Company under this Section 6.8 shall not be terminated or modified in such a manner as to adversely affect any D&O Indemnified Party to whom this Section 6.8 applies without the consent of such affected D&O Indemnified Party (it being expressly agreed that the D&O Indemnified Parties to whom this Section 6.8 applies shall be third-party beneficiaries of this Section 6.3, each of whom may enforce the provisions of this Section 6.3).

(c) In the event Buyer, the Company or any of their respective successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity in such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in either such case, proper provision shall be made

so that the successors and assigns of Buyer or the Company, as the case may be, shall assume all of the obligations set forth in this Section 6.3. The agreements and covenants contained herein shall not be deemed to be exclusive of any other rights to which any Indemnified Party is entitled, whether pursuant to Law, Contract or otherwise. Nothing in this Agreement is intended to, shall be construed to or shall release, waive or impair any rights to directors' and officers' insurance claims under any policy that is or has been in existence with respect to the Company or its officers, directors and employees, it being understood and agreed that the indemnification provided for in this Section 6.3 is not prior to, or in substitution for, any such claims under any such policies.

6.4 Public Announcements. Unless otherwise required by applicable Law or stock exchange or trading market requirements (based upon the reasonable advice of counsel), no party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed), and the parties shall cooperate as to the timing and contents of any such announcement.

6.5 Employee Related Matters.

(a) **Transferred Employees.** Effective as of the Closing Date, Buyer shall continue the employment of only those employees of the Business as Buyer shall determine in its sole discretion (the "**Continuing Employees**"). On the Closing Date, and to the extent consistent with applicable Laws, the Company shall terminate the employment of any employee who is not a Continuing Employee. Nothing in this Agreement shall confer upon any Continuing Employee any right with respect to continued employment (or any particular term or condition of employment) with Buyer or any of its Affiliates, nor shall anything herein limit or interfere with Buyer's (or any of its Affiliates') right to terminate the employment of any Person (including any Continuing Employee) at any time and for any or no reason (subject to applicable Law), with or without cause or notice, or restrict Buyer or any of their Affiliates in the exercise of independent business judgment in modifying any terms or conditions of employment of the Continuing Employees on and after the Closing Date.

(b) **Other Matters**. Sellers shall be responsible for all liabilities, obligations and commitments relating to the employment, termination of employment and compensation of current and former employees of the Company and the Company Affiliates prior to and on the Closing Date, including the Bonus Amounts and any severance to be paid to any employee who is not a Continuing Employee, and shall further ensure that any employee who is paid severance signs a release of claims in a form reasonably acceptable to the Buyer as a condition to the payment of severance.

6.6 Further Assurances. Following the Closing, each of the parties shall, and shall cause their respective Affiliates to, execute and deliver, such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions of this Agreement and give effect to the transactions contemplated by this Agreement.

6.12 Audited Financial Statements. The Seller agrees to provide audited financial statements as of and for the year ending December 31, 2016 and December 31, 2015 as required by the Securities Exchange Commission and applicable securities laws no later than fifty (50) days after the Closing and shall reasonably cooperate with the Buyer in the preparation of such audited financial statements.

ARTICLE VII
TAX MATTERS

7.1 Tax Covenants.

(a) Without the prior written consent of Buyer, prior to the Closing, the Company, its Representatives and Sellers shall not make, change or rescind any Tax election, amend any Tax Return or take any position on any Tax Return, take any action, omit to take any action or enter into any other transaction that would have the effect of increasing the Tax liability or reducing any Tax asset of Buyer in respect of any Post-Closing Tax Period. The Company agrees that Buyer is to have no liability for any Tax resulting from any action of the Company, any of its Representatives or Sellers. The Sellers shall jointly indemnify and hold harmless Buyer against any such Tax or reduction of any Tax asset.

(b) All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the Transaction Documents (including any real property transfer Tax and any other similar Tax) shall be borne and paid by the Sellers when due, except that Buyer will pay the documentary tax that will be owed on the face amount of the Promissory Note.. Seller Representative shall timely file any Tax Return or other document with respect to such Taxes or fees (and Buyer shall cooperate with respect thereto as necessary).

7.2 Termination of Existing Tax Sharing Agreements. Any and all existing Tax sharing agreements (whether written or not) binding upon the Company shall be terminated as of the Closing Date. After such date neither the Company nor any of its Representatives shall have any further rights or liabilities thereunder.

7.3 Tax Indemnification. The Sellers shall jointly and severally indemnify the Company, Buyer, and each Buyer Indemnitee and hold them harmless from and against (a) any Loss attributable to any breach of or inaccuracy in any representation or warranty made in Section 3.20; (b) any Loss attributable to any breach or violation of, or failure to fully perform, any covenant, agreement, undertaking or obligation in Article VII; (c) all Taxes of the Company or relating to the business of the Company for all Pre-Closing Tax Periods; (d) all Taxes of any member of an affiliated, consolidated, combined or unitary group of which the Company (or any predecessor of the Company) is or was a member on or prior to the Closing Date by reason of a liability under Treasury Regulation Section 1.1502-6 or any comparable provisions of foreign, state or local Law; and (e) any and all Taxes of any person imposed on the Company arising under the principles of transferee or successor liability or by contract, relating to an event or transaction occurring before the Closing Date. In each of the above cases, together with any out-of-pocket fees and expenses (including attorneys' and accountants' fees) incurred in connection therewith, the Sellers shall jointly and severally reimburse Buyer for any Taxes of the Company that are the responsibility of the Sellers pursuant to this Section 7.3 within ten (10) Business Days after payment of such Taxes by Buyer or the Company.

7.4 Tax Returns.

(a) The Company shall prepare and timely file, or cause to be prepared and timely filed, all Tax Returns required to be filed by it that are due on or before the Closing Date (taking into account any extensions), and shall timely pay all Taxes that are due and payable on or before the Closing Date (taking into account any extensions), and shall timely pay all Taxes that are due and payable on or before the Closing Date. Any such Tax Return shall be prepared in a manner consistent with past practice (unless otherwise required by Law).

(b) Buyer shall prepare and timely file, or cause to be prepared and timely filed, all Tax Returns required to be filed by the Company after the Closing Date with respect to a Pre-Closing Tax Period and for any Straddle Period, except for the Company's information return on Form 1120-S, which will be filed by the Sellers.. Any such Tax Return shall be prepared in a manner consistent with past practice (unless otherwise required by Law) and, if it is a material Tax Return, shall be submitted by Buyer to Seller Representative (together with schedules, statements and, to the extent requested by Seller Representative, supporting documentation) at least forty-five (45) days prior to the due date (including extensions) of such Tax Return. If Seller Representative objects to any item on any such Tax Return that relates to a Pre-Closing Tax Period, it shall, within ten (10) days after delivery of such Tax Return, notify Buyer in writing that it so objects, specifying with particularity any such item and stating the specific factual or legal basis for any such objection. If a notice of objection shall be duly delivered, Buyer and Seller Representative shall negotiate in good faith and use their reasonable best efforts to resolve such items. If Buyer and Seller Representative are unable to reach such agreement within ten (10) days after receipt by Buyer of such notice, the disputed items shall be resolved by the Independent Accountant and any determination by the Independent Accountant shall be final. The Independent Accountant shall resolve any disputed items within twenty (20) days of having the item referred to it pursuant to such procedures as it may require. If the Independent Accountant is unable to resolve any disputed items before the due date for such Tax Return, the Tax Return shall be filed as prepared by Buyer and then amended to reflect the Independent Accountant's resolution. The costs, fees and expenses of the Independent Accountant shall be borne equally by Buyer and Seller Representative. The preparation and filing of any Tax Return of the Company that does not relate to a Pre-Closing Tax Period or Straddle Period shall be exclusively within the control of Buyer.

7.5 Straddle Period. In the case of Taxes that are payable with respect to a taxable period that begins before and ends after the Closing Date (each such period, a "**Straddle Period**"), the portion of any such Taxes that are treated as Pre-Closing Taxes for purposes of this Agreement shall be:

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

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

7.6 Contests. Buyer agrees to give written notice to Seller Representative of the receipt of any written notice by the Company, Buyer or any of Buyer's Affiliates which involves the assertion of any claim, or the commencement of any Action, in respect of which an indemnity may be sought by Buyer pursuant to this Article VII (a "**Tax Claim**"). Buyer shall control the contest or resolution of any Tax Claim; provided, however, that Buyer shall obtain the prior written consent of Seller Representative (which consent shall not be unreasonably withheld or delayed) before entering into any settlement of a claim or ceasing to defend such claim; and, provided further, that Seller Representative shall be entitled to participate in the defense of such claim and to employ counsel of its choice for such purpose, the fees and expenses of which separate counsel shall be borne solely by Seller Representative.

7.7 Cooperation and Exchange of Information. The Seller Representative, the Company and Buyer shall provide each other with such cooperation and information as either of them reasonably may request of the others in filing any Tax Return pursuant to this Article VII or in connection with any

audit or other proceeding in respect of Taxes of the Company. Such cooperation and information shall include providing copies of relevant Tax Returns or portions thereof, together with accompanying schedules, related work papers and documents relating to rulings or other determinations by tax authorities. Each of Seller Representative, the Company and Buyer shall retain all Tax Returns, schedules and work papers, records and other documents in its possession relating to Tax matters of the Company for any taxable period beginning before the Closing Date until the expiration of the statute of limitations of the taxable periods to which such Tax Returns and other documents relate, without regard to extensions except to the extent notified by any of the other parties in writing of such extensions for the respective Tax periods. Prior to transferring, destroying or discarding any Tax Returns, schedules and work papers, records and other documents in its possession relating to Tax matters of the Company for any taxable period beginning before the Closing Date, Seller Representative, the Company or Buyer (as the case may be) shall provide the other parties with reasonable written notice and offer the other parties the opportunity to take custody of such materials.

7.8 Tax Treatment of Indemnification Payments. Any indemnification payments pursuant to this Article VII shall be treated as an adjustment to the Purchase Price by the parties for Tax purposes, unless otherwise required by Law.

7.9 Payments. Notwithstanding any other provision of this Agreement, any amounts payable to Buyer pursuant to this Article VII shall be first satisfied from the Sellers by reduction on any payment due under the Promissory Note and then otherwise in accordance with Section 8.5(b) of this Agreement.

7.10 Survival. Notwithstanding anything in this Agreement to the contrary, the provisions of Section 3.20 and this Article VII shall survive for the full period of all applicable statutes of limitations (giving effect to any waiver, mitigation or extension thereof) plus an additional sixty (60) days.

7.11 Overlap. To the extent that any obligation or responsibility pursuant to Article IX may overlap with an obligation or responsibility pursuant to this Article VII, the provisions of this Article VII shall govern.

7.12 Tax Refunds. Any Tax refund (including any interest with respect thereto) relating to the Company for any taxable period prior to the Closing Date shall be the property of the Seller, and if received by the Buyer or the Company shall be paid over promptly to the Seller.

ARTICLE VIII
INDEMNIFICATION

8.1 Survival. Subject to the limitations and other provisions of this Agreement, the representations and warranties contained in this Agreement (other than those set forth in Section 3.20 which are subject to Article VII) shall survive the Closing and shall remain in full force and effect until the date that twelve (12) months from the Closing Date; provided, that the Fundamental Representations shall survive until the date which is five (5) years from the Closing Date and any claim based on Fraud shall survive indefinitely. The obligations to indemnify, defend and hold harmless a Buyer Indemnitee will terminate on the applicable survival termination date; provided, however, that any claims asserted in good faith with reasonable specificity (to the extent known at such time) in writing and in compliance with the terms of Section 8.4 hereof by notice from the Buyer Indemnitee to the Seller prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims (and only such claims) shall survive until finally resolved.

8.2 Indemnification By the Sellers. Subject to the other terms and conditions of this Article IX, the Sellers, jointly and severally, shall indemnify and defend the Buyer and its Affiliates (including the Company after the Closing) and their respective Representatives (collectively, the "Buyer Indemnitees") against, and shall hold each of them harmless from and against, and shall pay and

reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Buyer Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of any of the Sellers contained in this Agreement or of any of the Sellers in any Transaction Document (other than the representations or warranties contained in Section 3.20 which are subject to Article VII);

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by the Company or any of the Sellers pursuant to this Agreement (other than any breach or violation of, or failure to fully perform, any covenant, agreement or obligation in Article VII, it being understood that the sole remedy for any such breach, violation or failure shall be pursuant to Article VII); or

(c) claims arising solely out of the operation of the Company prior to the Closing Date; or

(d) any noncompliance of the Benefit Plan identified on Schedule 3.18(e) of the Disclosure Schedules with applicable Laws or failure of such Benefit Plan to be operated in compliance with applicable Laws if such noncompliance or failure occurred prior to the Closing Date.

8.3 Certain Limitations. The indemnification provided for in Section 8.2 shall be subject to the following limitations:

(a) Except as provided in this Section 8.3(a), the aggregate amount of all Losses for which the Sellers shall be liable pursuant to Section 8.2 shall not exceed $1,500,000 (the "**Cap**"). Notwithstanding the foregoing, the limitations set forth in this Section 8.3(a) shall not apply to Losses based upon, arising out of, with respect to or by reason of any inaccuracy in or breach of any of the Fundamental Representations or representation or warranty in Section 3.20.

(b) No Buyer Indemnitee will be entitled to any indemnification pursuant to Section 8.2 unless the aggregate of all Losses would exceed on a cumulative basis an amount equal to $60,000.00 (the "**Basket**"), in which in which event Sellers shall only be required to pay or be liable for Losses in excess of $20,000.

(c) Nothing in this Agreement (including Sections 8.3(a) and 8.3(b)), shall limit or restrict any of the Buyer Indemnitees' right to maintain any action or claim or recover (i) any Losses as a result of Fraud in connection with a breach of any representation or warranty made by the Sellers in this Agreement or other Transaction Document or (ii) any Losses based upon, arising out of, with respect to or by reason of any claim for which indemnification is provided under Section 7.3 of this Agreement (each of (i) and (ii), a "**Section 8.3(c) Loss**") . In no event shall Sellers be liable for Section 8.3(c) Losses in excess of the Purchase Price.

8.4 Indemnification Procedures.

(a) **Third Party Claims.** If any Buyer Indemnitee receives notice of the assertion or commencement of any Action made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a "**Third Party Claim**") against such Buyer Indemnitee with respect to which the Sellers are obligated to provide indemnification under this Agreement, the Buyer Indemnitee shall give the Seller Representative reasonably prompt written notice of the Third Party Claim, but in any event not later than thirty (30) calendar days after receipt of such notice of such Third Party Claim. The failure to give such prompt written notice shall not, however, relieve the Sellers of their indemnification obligations, except and only to the extent that the Sellers forfeit rights or defenses by reason of such failure. Such notice by the Buyer Indemnitee shall describe the Third

Party Claim in reasonable detail, shall include copies of all material written evidence of the Third Party Claim and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Buyer Indemnitee. The Sellers shall have the right to participate in, or by giving written notice to the Buyer Indemnitee, to assume the defense of any Third Party Claim at the Sellers' expense and by the Sellers' own counsel, and the Buyer Indemnitee shall cooperate in good faith in such defense; provided, that the Sellers shall not have the right to defend or direct the defense of any such Third Party Claim that (x) is asserted directly by or on behalf of a Person that is a supplier or customer of the Company, or (y) seeks an injunction or other equitable relief against the Buyer Indemnitees. In the event that the Sellers assume the defense of any Third Party Claim, subject to Section 8.5(b), Sellers shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Buyer Indemnitee. The Buyer Indemnitee shall have the right to participate in the defense of any Third Party Claim with counsel selected by it subject to the Sellers' right to control the defense of the Third Party Claim. The fees and disbursements of such counsel shall be at the expense of the Sellers. If the Sellers elect not to compromise or defend such Third Party Claim, fails to promptly notify the Buyer Indemnitee in writing of its election to defend as provided in this Agreement, or fails to diligently prosecute the defense of such Third Party Claim, the Buyer Indemnitee may, subject to Section 8.5(b), pay, compromise, defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim. Seller Representative and Buyer shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

(b) **Settlement of Third Party Claims**. Notwithstanding any other provision of this Agreement, Sellers shall not enter into settlement of any Third Party Claim without the prior written consent of the Buyer Indemnitee, except as provided in this Section 8.5(b). If a firm offer is made to settle a Third Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Buyer Indemnitee and provides, in customary form, for the unconditional release of each Buyer Indemnitee from all liabilities and obligations in connection with such Third Party Claim and the Sellers desires to accept and agree to such offer, the Sellers shall give written notice to that effect to the Buyer Indemnitee. If the Buyer Indemnitee fails to consent to such firm offer within ten (10) days after its receipt of such notice, the Buyer Indemnitee may continue to contest or defend such Third Party Claim and in such event, the maximum liability of the Sellers as to such Third Party Claim shall not exceed the amount of such settlement offer. If the Buyer Indemnitee fails to consent to such firm offer and also fails to assume defense of such Third Party Claim, the Sellers may settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party Claim.

(c) **Direct Claims**. Any Action by a Buyer Indemnitee on account of a Loss which does not result from a Third Party Claim (a "**Direct Claim**") shall be asserted by the Buyer Indemnitee giving the Seller Representative reasonably prompt written notice of the Direct Claim, but in any event not later than thirty (30) days after the Buyer Indemnitee becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Sellers of their indemnification obligations, except and only to the extent that the Sellers forfeit rights or defenses by reason of such failure. Such notice by the Buyer Indemnitee shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss

that has been or may be sustained by the Buyer Indemnitee. The Sellers shall have thirty (30) days after its receipt of such notice to respond in writing to such Direct Claim. During such thirty (30) day period, the Buyer Indemnitee shall allow the Sellers and their professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Buyer Indemnitee shall assist the Sellers' investigation by giving such information and assistance (including access to the Company's premises and personnel and the right to examine and copy any accounts, documents or records) as the Sellers or any of their professional advisors may reasonably request. If the Sellers do not so respond within such thirty (30) day period, the Sellers shall be deemed to have rejected such claim, in which case the Buyer Indemnitee shall be free to pursue such remedies as may be available to the Buyer Indemnitee on the terms and subject to the provisions of this Agreement.

8.5 Payments.

(a) From and after the Closing (but subject to the terms and conditions of this Article VIII), any indemnification of the Buyer Indemnitees for which Sellers are liable under this Agreement will be effected first by reducing the face value of the Promissory Note by the amount of such indemnification obligations, as finally agreed to by Seller Representative or finally adjudicated as payable pursuant to this Article VIII.

(b) To extent there is a Loss to which Sellers are obligated to indemnify Buyer Indemnitees, including amounts owed under Section 8.6 below, and the Promissory Note has either been paid or been reduced in accordance with Section 8.5(a), the Seller Representative shall satisfy Sellers obligations within fifteen (15) Business Days of such acceptance or final, non-appealable adjudication by wire transfer of immediately available funds. The parties agree that should Seller Representative not make full payment of any such obligations within such fifteen (15) Business Day period, any amount payable shall accrue interest from and including the date of agreement of the Indemnifying Party or final, non-appealable adjudication to and including the date such payment has been made at a rate per annum equal to 3%. Such interest shall be calculated daily on the basis of a 365/366 day year and the actual number of days elapsed, without compounding.

(c) Notwithstanding the above, if a Buyer Indemnitee has delivered notice of a claim for indemnification in good faith pursuant to Section 8.2 in respect of Losses and such claim has not been finally resolved or agreed to on or before any required payment date under the Promissory Note, the failure of Buyer to make a required payment of principal in the amount and to the extent of the amount of Losses alleged in good faith in such claim for indemnification when due will not constitute an event of default under the Promissory Note.

8.6 Critical Customers Adjustment. Seller acknowledges that the Critical Customers are important to the Company's operations and that the loss of any would cause irreparable harm and damage to the Buyer and have accordingly agreed to this special indemnity with respect to the Critical Customers, as follows:

(a) If, as of any Measurement Date, the CC Revenue is less than the Target Revenue, then the Sellers shall pay to the Buyer the difference between the CC Revenue and the Target Revenue, up to an annual cap of $300,000.

(b) No later than the 5 Business Days following a Measurement Date, Buyer shall deliver to the Seller's Representative a written statement indicating the CC Revenue as of the

Measurement Date and, to the extent Buyer is entitled to any payment, such payment shall be made by offsetting the current Installment due on the Promissory Note in accordance with Section 8.5 of the Purchase Agreement; provided that if the Seller's Representative provides a Revenue Objection Notice as provide in Section 8.6(c), Buyer may withhold any disputed portion of the Installment due until the parties resolve their dispute in accordance with Section 8.6(c) and further provided that the Promissory Note has not been otherwise reduced or offset for payments of claims due under Section 8.2 or otherwise in this Agreement.

(c) On or before the fifth (5^{th}) Business Day following the date that Buyer delivers to the Seller Representative its written statement of CC Revenue as of the Measurement Date, if the Seller Representative does not agree with Buyer's calculation of CC Revenues as of the Measurement Date, they shall deliver to the Buyer a notice of objection ("**Revenue Objection Notice**"). If no Revenue Objection Notice is delivered to the Buyer before the expiration of such five (5) Business Day Period, the Buyer's calculation of CC Revenue shall be final and binding on the parties as the CC Revenues as of the Measurement Date. Any Revenue Objection Notice shall specify in reasonable detail the basis for the objection and all information in the possession of the Seller's Representative which forms the basis therefor, as well as the amount in dispute. If the Seller's Representative delivers a Revenue Objection Notice in accordance with this Section 8.6(c), the Buyer and the Seller Representative shall consult with each other with respect to the objection set forth therein. If the Buyer and the Seller Representative are unable to reach agreement within ten (10) Business Days after a Revenue Objection Notice has been given, all unresolved disputed items shall be promptly referred to the Independent Accounting Firm. The Independent Accounting Firm shall be directed to render a written report on the unresolved disputed issues with respect to the CC Revenues as of the Measurement Date as promptly as practicable, and to resolve only those issues of dispute set forth in the Revenue Objection Notice. If unresolved disputed issues are submitted to the Independent Accounting Firm, the Buyer and the Seller Representative will each furnish to the Independent Accounting Firm such work papers, schedules and other documents and information relating to the unresolved disputed issues as the Independent Accounting Firm any reasonably request. The Independent Accounting Firm shall establish the procedures it shall follow (including procedures with regard to the presentation of evidence) giving due regard to the mutual intention of the Buyer and the Seller's Representative to resolve the disputed items and amounts as quickly, efficiently and inexpensively as possible. The resolution of the dispute and the calculation of the CC Revenue as of the Measurement Date by the Independent Accounting Firm shall be final and binding on the parties to this Agreement. The fees and expenses of the Independent Accounting Firm shall be allocated between the parties in the proportion that the amounts determined by the Independent Accounting Firm against each party bears to the total amount in dispute (determined with respect to dollar amount).

8.7 Indemnification by the Buyer

(a) From and after the Closing, Seller and its Affiliates, officers, directors, employees, agents and Representatives (each a "**Seller Indemnitee**") shall be indemnified and held harmless against, any Loss incurred as a result of (i) any breach of or inaccuracy in any representation or warranty made by Buyer in Article V of this Agreement or any representation or warranty made by Buyer in any Transaction Document, (ii) any breach by Buyer of any of its covenants or agreements contained in this Agreement or any Transaction Document, or (iii) claims arising solely from the operation of the Company after the Closing Date.

(b) No Seller Indemnitee will be entitled to any indemnification pursuant to Section 8.7(a) until the aggregate of all Losses would exceed on a cumulative basis an amount equal to

the Basket in which event the Buyer will be required to pay or be liable for all such Losses in excess of $20,000.

(c) The aggregate amount of all Losses for which the Buyer shall be liable pursuant to Section 8.7(a) shall not exceed the Cap.

(d) If any Loss claimed by a Seller Indemnitee is agreed to by the Buyer or finally adjudicated to be payable to a Seller Indemnitee pursuant to this Article VIII, the Buyer shall satisfy its obligations within fifteen (15) Business Days of such acceptance or final, non-appealable adjudication by wire transfer of immediately available funds to the account specified in writing by the Seller Indemnitee. The parties agree that should Buyer not make full payment of any such obligations within such fifteen (15) Business Day period, any amount payable shall accrue interest from and including the date of agreement of the Indemnifying Party or final, non-appealable adjudication to and including the date such payment has been made at a rate per annum equal to 3%. Such interest shall be calculated daily on the basis of a 365/366 day year and the actual number of days elapsed, without compounding.

8.8 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

8.9 Effect of Investigation. The representations, warranties and covenants of the Sellers, and the Buyer Indemnitees' right to indemnification under this Article VII, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Buyer Indemnitees (including by any of their Representatives) or by reason of the fact that the Buyer Indemnitees or any of their Representatives knew or should have known that any such representation or warranty is, was or might be inaccurate.

8.10 Exclusive Remedies. Subject to Section 9.12, the parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims (other than claims arising from Fraud on the part of a party to this Agreement in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth in this Agreement or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in Article VII and this Article VIII. In furtherance of the foregoing, each party hereby waives, to the fullest extent permitted under Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth in this Agreement or otherwise relating to the subject matter of this Agreement it may have against the other parties hereto and their Affiliates and each of their respective Representatives arising under or based upon any Law, except pursuant to the indemnification provisions set forth in Article VII and this Article VIII. Nothing in this Section 8.10 shall limit any Person's right to seek and obtain any equitable relief.

ARTICLE IX
MISCELLANEOUS

9.1 Seller Representative.

(a) Each Seller hereby irrevocably appoints Seller Representative as such Seller Representative and attorney-in-fact to act on behalf of such Seller with respect to this Agreement and to take any and all actions and make any decisions required or permitted to be taken by Seller Representative pursuant to this Agreement, including the exercise of the power to:

(i) give and receive notices and communications;

(ii) agree to, negotiate, enter into settlements and compromises of, and comply with orders or otherwise handle any other matters described in Section 2.4;

(iii) agree to, negotiate, litigate, arbitrate, resolve, enter into settlements and compromises of, and comply with orders of courts with respect to claims for indemnification made by Buyer pursuant to Article VII and Article VIII;

(iv) execute and deliver all documents necessary or desirable to carry out the intent of this Agreement and any Transaction Document;

(v) make all elections or decisions contemplated by this Agreement and any Transaction Document;

(vi) engage, employ or appoint any agents or representatives (including attorneys, accountants and consultants) to assist Seller Representative in complying with its duties and obligations; and

(vii) take all actions necessary or appropriate in the good faith judgment of Seller Representative for the accomplishment of the foregoing.

Buyer shall be entitled to deal exclusively with Seller Representative on all matters relating to this Agreement (including Articles VII and VIII) and shall be entitled to rely conclusively (without further evidence of any kind whatsoever) on any document executed or purported to be executed on behalf of any Seller by Seller Representative, and on any other action taken or purported to be taken on behalf of any Seller by Seller Representative, as being fully binding upon such Seller. Notices or communications to or from Seller Representative shall constitute notice to or from each of the Sellers. Any decision or action by Seller Representative under this Agreement, including any agreement between Seller Representative and Buyer relating to the defense, payment or settlement of any claims for indemnification under this Agreement, shall constitute a decision or action of all Sellers and shall be final, binding and conclusive upon each such Seller. No Seller shall have the right to object to, dissent from, protest or otherwise contest such decision or action. The provisions of this Section 9.1, including the power of attorney granted by this Section 9.1, are independent and severable, are irrevocable and coupled with an interest and shall not be terminated by any act of any one Seller, or by operation of Law, whether by death or other event.

(b) The Seller Representative may resign at any time, and may be removed for any reason or no reason by the vote or written consent of the Sellers; provided, however, in no event shall Seller Representative resign or be removed without the Sellers having first appointed a new Seller Representative who shall assume such duties immediately upon the resignation or removal of Seller Representative. In the event of the death, incapacity, resignation or removal of Seller Representative, a new Seller Representative shall be appointed by the vote or written consent of the Sellers. Notice of such vote or a copy of the written consent appointing such new Seller Representative shall be sent to Buyer, such appointment to be effective upon the later of the date indicated in such consent or the date such notice is received by Buyer; provided, that until such notice is received, Buyer shall be entitled to rely on the decisions and actions of the prior Seller Representative as described in Section 9.1(a) above.

(c) The Seller Representative shall not be liable to the Sellers for actions taken pursuant to this Agreement, except to the extent such actions shall have been determined by a court of competent jurisdiction to have constituted gross negligence or involved fraud, intentional misconduct or bad faith (it being understood that any act done or omitted pursuant to the advice of counsel, accountants and other professionals and experts retained by Seller Representative shall be conclusive evidence of good faith). The Sellers shall jointly and severally indemnify and hold harmless Seller Representative from and against, compensate him, her or it for, reimburse him, her or it for and pay any and all losses, liabilities, claims, actions, damages and expenses, including reasonable attorneys' fees and disbursements, arising out of and in connection with his, her or its activities as Seller Representative under this Agreement (the "**Representative Losses**"), in each case as such Representative Loss is suffered or incurred; provided, that in the event it is finally adjudicated that a Representative Loss or any portion thereof was primarily caused by the gross negligence, fraud, intentional misconduct or bad faith of the Seller Representative, the Seller Representative shall reimburse the Sellers the amount of such indemnified Representative Loss attributable to such gross negligence, fraud, intentional misconduct or bad faith. The Representative Losses shall be satisfied from the Principals jointly.

9.2 Expenses. Except as otherwise expressly provided in this Agreement, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated by this Agreement shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

9.3 Notices. All notices, requests, consents, claims, demands, waivers and other communications under this Agreement shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 9.3):

If to the Company or Seller's Representative:	Jonathan Gibbons 305 South Westland Avenue, Unit C Tampa, FL 33606 Email: jsgibbons4fivegmail.com
with a copy to:	Mark Tiller Tiller Law Group, P.A. 15310 Amberly Drive, Suite 180 Tampa, FL 33647 Email: marc@tillerlawgroup.com
If to Buyer:	Asure Software, Inc. 110 Wild Basin Road, Suite 100 Austin, Texas 78746 Attention: Brad Wolfe, CFO E-mail: BWolfe@asuresoftware.com
with a copy to:	Messerli & Kramer P.A.

100 South Fifth Street, Suite 1400
Minneapolis, Minnesota 55402
Attention: Katheryn A. Gettman, Esq.
Email: kgettman@messerlikramer.com

9.4 Interpretation. For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "of this Agreement," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim in this Agreement.

9.5 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

9.6 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

9.7 Entire Agreement. This Agreement (including the Exhibits and the Disclosure Schedules) and the Transaction Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained in this Agreement (including the Exhibits and Disclosure Schedules) and the Transaction Documents and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the Transaction Documents, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

9.8 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns. Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed; provided however that Buyer may assign its rights hereunder for collateral purposes to any provider of secured finance to Buyer. No assignment shall relieve the assigning party of any of its obligations under this Agreement.

9.9 No Third-Party Beneficiaries. Except as provided in Section 6.8, Section 7.3. and Article VIII, this Agreement is for the sole benefit of the parties and their respective successors and permitted assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

9.10 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by or on behalf of each of the parties. Any failure of Buyer, on the one hand, or the Company or the Sellers, on the other hand, to comply with any obligation, covenant, agreement or condition in this Agreement may be waived by the Seller

Representative on behalf of the Sellers (with respect to any failure by Buyer) or by Buyer (with respect to any failure by the Company or any Seller), respectively, only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

9.11 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction).

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE ANCILLARY DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MAY BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE OF FLORIDA OR IN THE STATE COURTS OF THE STATE OF FLORIDA, IN EACH CASE VENUED IN THE COUNTY OF HILLSBOROUGH, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE ANCILLARY DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE ANCILLARY DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.11(c).

9.12 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms of this Agreement and that the parties shall be entitled to specific performance of the terms of this Agreement, in addition to any other remedy to which they are entitled at law or in equity.

9.13 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile,

e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

9.14 Effect of Disclosure. Disclosure of any item in any part of the Disclosure Schedules shall be deemed to be disclosed on any other Section of the Disclosure Schedules where its applicability to, relevance as an exception to, or disclosure for purposes of, such other representation or warranty is reasonably appearance on its face, provided that an express cross reference is provided to such other Section of the Disclosure Schedules and sufficient detail is provided to clarify such cross reference.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the Effective Date. by their respective officers thereunto duly authorized.

ASURE SOFTWARE, INC.

/s/ Patrick Goepel
By: Patrick Goepel
Its: President and Chief Executive Officer

COMPASS HRM, INC.

/s/ Jonathan Gibbons
By: Jonathan Gibbons
Its: President and Chief Financial Officer

/s/ John F. Gibbons
JOHN F. GIBBONS

/s/ Jonathan S. Gibbons
JONATHAN S. GIBBONS

/s/ Joshua Gibbons
JOSHUA GIBBONS

/s/ Jonathan Gibbons
JONATHAN GIBBONS, solely in his capacity as Seller Representative